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LATIN AMERICA REPORT

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PLANNING HELPS REDUCE OIL IMPORTS, CONSUMPTION

Managua EL NUEVO DIARIO in Spanish 8 May 83 p 2

[Article by Alfredo Ruscio: "Programing Petroleum Consumption to Continue Advancing"]

[Text] Nicaragua receives 18 petroleum shipments annually of 260,000 barrels each, supplied in equal portions by Venezuela and Mexico, which furnish crude to the Central American and Caribbean countries--except Cuba and Grenada --by virtue of the San Jose Agreement. Pursuant to this agreement, 30 percent of the cost of the sales is treated as a loan for a term of 5 years at 4 percent interest when intended for nonenergy programs, and for a term of 20 years at 2 percent interest when intended for energy-development projects.

How does Nicaragua resolve the contradiction between the increased consumption of petroleum implied in its economic development and the lack of foreign exchange to import the oil--all of which must be purchased because the country does not produce any to date? The solution that the Sandinist Government has been implementing is the programming of fuel consumption, which has forced the adoption of corrective measures such as the rationing of fuel, started in July 1982.

All the petroleum consumed by Nicaragua is imported: about 50 percent of the foreign exchange arising from the nation's exports in 1982 was spent in the purchase of hydrocarbons from Mexico and Venezuela.

The domestic consumption of petroleum byproducts set the pace for the economic development of the country in the 1970's, dropping in the 1972-79 period during which the earthquake that destroyed Managua and the war of liberation took place.

Some 70 percent of the petroleum is used for electric power generation in Nicaragua and the remaining 30 percent of the product is consumed by the other industries.

On the social plane, the consumption of petroleum has increased as the Nicaraguan people have gone on to greater accomplishments: for example, the country's electrification increases and the fuel expenditure immediately rises.

In like manner, something similar occurs in this sense with liquefied gas (propane-butane). The local refinery output is allocated 80 percent for home consumption and 20 percent for the tobacco, textile and cotton-ginning industries' consumption. An official of the Nicaraguan Petroleum Enterprise (PETRONIC) said that this "is an obvious sign of the progress of the Nicaraguans."

However, unable to meet the current demand for liquefied gas, Nicaragua must import it from Hidrogas de Centroamerica [Central American Hydrogas] of Mexico in order to take care of the needs of the population. The gas that cannot be produced in the country because the Esso Refinery of Managua can handle only 15,000 barrels of crude daily represents 25 percent of the national demand, and it is subsidized by the state in order not to raise its selling price to the public.

The PETRONIC official who was consulted said that despite everything, the problem of the low installed gas-processing capacity of the refinery cannot be solved in this decade.

The programming of fuel consumption has rationalized the country's import expenditure despite the fact that there has been a greater economic development than at the time of the Somoza regime. This is explained by the fact that the official control, essentially in the sale of gasoline, has reduced consumption.

The table [below] shows Nicaraguan imports of petroleum crude in millions of barrels annually in the past few years:

1977.....	6.5
[1978 not given]	
1979.....	4.0
1980.....	4.2
1981.....	4.6
1982.....	4.3

A breakdown of the various uses of petroleum shows that gasoline consumption in millions of barrels was as follows:

1977.....	1.6
1978.....	1.5
1979.....	1.1
1980.....	1.2
1981.....	1.1
1982.....	1.0 (fuel rationing)

Historically, the official adds, national consumption has been 33 percent high-octane gasoline and 67 percent regular gasoline. In this connection, the refinery has no fixed limits for the production of fuels, and it adds tetraethyl lead when processing the petroleum in the proportion required by the demand.

Gasoline accounted for 30 percent of the national consumption in 1976, and it was reduced to 23 percent in 1982 as a result of the policy of programming the sale of fuel implemented by the Sandinist Government.

On this score, the Nicaraguan Government intends to maintain gasoline consumption levels this year at 80 percent of the 1981 levels, relenting only in the case of new projects or of expansion in the various productive sectors of the country.

Keroturbo, another product made in Nicaragua, represented only 5 percent of the national demand in 1976 and 60 percent in 1982. The product has the same uses as kerosene and turbofuel, whose productions in 1982 were 38 percent and 62 percent, respectively. The production of turbofuel increased with the growth of commercial air activity and the greater use of this means to link the various regions of the country, especially the Atlantic Coast which was always neglected by the Somoza regime.

As to diesel fuel, the demand was 30 percent in 1976 and 38 percent in 1982. Some 60 percent of the production is used for public transportation and for that reason it is practically tax free, but an additional 50,000 barrels a month of it must be imported in order to cope with the national demand. Diesel fuel production was 1.4 million barrels in 1977 and 1.2 million barrels in 1982.

With regard to diesel fuel also, the policy of the Sandinist Government is to maintain in 1983 the same consumption levels as in 1981. The PETRONIC official said that this has been managed since the adoption of the measure requiring international transport operators to pay for the product in dollars in the national territory. "We pay for the petroleum in dollars, and the international transport operators paid us in cordobas. That was a drain of foreign exchange that now has been stopped," he stressed.

Nonenergy hydrocarbons have very little national demand: ahphalts, used for the paving of streets and roads; varsol, industrial solvent for the production of paints; and HHA, solvent for pesticides that is also used in cosmetics; represent only 1.2 percent of the total consumption and there are no problems in their production.

The petroleum that is processed in Nicaragua comes in at a submarine pipeline by means of which the oil is transferred from the tankers to Puerto Sandino, 75 kilometers west of Managua. The submarine pipeline is 18 inches in diameter and 4.8 kilometers in length. It has a throughput capacity of 8,000 barrels per hour in the conveyance of the oil of the tanks in the port.

The pipeline that connects Puerto Sandino with the Esso Refinery is 6 inches in diameter and 52.8 kilometers in length. The transmission of the oil is slower as a result of the smaller storage capacity of the refinery.

The petroleum crisis in the industrialized countries in the mid-1970's forced their governments to amend the old policy encouraging the waste of fuels. They required more than 5 years to overcome that crisis on the basis of such drastic

measures as high taxes, high prices and lower industrial capacities. But in the poor countries, such measures have meant an interruption of development and, consequently, increased poverty.

In Nicaragua, the Sandinist Government is facing the serious problem of the supply of petroleum with greater chances of success by adopting standards of rationalization, strictly controlling consumption, and keeping costs at acceptable levels.

8414

CSO: 3248/869

AGREEMENT OF COSTA RICAN AND NICARAGUAN CENTRAL BANKS ON DEBT

San Jose LA NACION in Spanish 3 Jun 83 p 4A

[Text] As officially reported, the Central Bank yesterday readjusted the indebtedness of the Government of Nicaragua, unpaid since 1980, at \$103 million.

An agreement along these lines was signed by representatives of the issuing institutions of both countries after holding long working sessions over the past 3 days.

The principal debts--of those on which delayed interest payments are not included--come to \$97 million, which will be paid within a term of 7 years with a grace period of 24 months.

Such a debt will yield interest corresponding to the London Interbank rate (LIBOR) plus one percentage point, according to don Edwin Salas, who headed the national delegation.

Interests due come to \$6.5 million, and the 20 percent will be paid at sight in accordance with the terms of the repayment of the debt.

The remaining 80 percent will be paid in one year, also at interest one point above LIBOR's.

The agreement will have to be approved by the boards of directors of Nicaragua and Costa Rica. The local issuing institution will study the readjustment agreement next Tuesday, it was reported.

The debts are owed on sales of electrical energy made by the Costa Rican Electric Company and on significant exports of various Costa Rican goods made to that Central American country.

Future payments

Central Bank representatives insisted to the Nicaraguan mission on the necessity that another payment formula be approved on future sales which may be made to that country.

It was therefore agreed that so that the debts might not increase, during the next week, Nicaragua will have to settle up for local products it may receive.

Such settlements would be made through the Central American Chamber of Compensation by means of regular clearances.

The Nicaraguan delegation was headed by Noel Gonzalez, vice president of the Central Bank of Nicaragua, who appeared satisfied with the results of his negotiations.

Central Bank officials also seemed pleased with the way in which a system for paying off high debts affecting our economy was set up.

9436

CSO: 3248/905

CHAMBERS OF COMMERCE PROMOTE ARGENTINE-SALVADORAN TRADE

San Salvador DIARIO LATINO in Spanish 23 May 83 pp 2, 23

[Text] An agreement on cooperation with the Chamber of Foreign Trade of the Center of the Argentine Republic was signed on 20 May at the Chamber of Commerce and Industry of El Salvador with the purpose of increasing trade activity between the two countries.

The DIARIO LATINO obtained the text of the formal document which we publish below in view of its interest.

Formal Cooperation Agreement Between Chambers of Commerce

In keeping with the talks and correspondence conducted by representatives of the Chamber of Foreign Trade of the Center of the Republic (Argentina) and the Chamber of Commerce and Industry of El Salvador, it was decided to make the following statement of cooperation and mutual understanding.

The Chamber of Foreign Trade of the Center of the Republic and the Chamber of Commerce and Industry of El Salvador agree to reaffirm their purpose to encourage broad cooperation by helping members of their respective chambers to promote trade exchanges between the Republic of Argentina and the Republic of El Salvador. Both chambers will share their mutual information with their members through meetings, visits, seminars, lectures and publications.

The chambers will continue to promote trade missions and will give their support to businessmen who travel to Argentina or to El Salvador to do business helping them as much as possible during these trips.

Each chamber will promote the interests of the other in its own country and, by means of periodic mutual consultations, they will do everything possible to overcome any obstacle or hindrance which may prevent the development of trade which must increase ever more in the future.

To this effect, two identical documents were signed in San Salvador on 20 May 1983.

For the Chamber of Commerce and Industry of El Salvador by Conrado Lopex Andreu

For the Chamber of Foreign Trade of the Center of the Republic by Joaquin Fernandez Riga.

NICARAGUA, MEXICO SIGN NEW ECONOMIC COOPERATION PACTS

Managua EL NUEVO DIARIO in Spanish 19 May 83 p 12

[Text] The Government of Mexico, in a new and fraternal gesture of the purest internationalism and Latin Americanism that definitely does honor to the great Mexican people, has agreed to sign new programs of technical cooperation, of equipment and material supply and of mutual cooperation on specific projects with the Revolutionary Government's national agencies: TELCOR [Nicaraguan Telecommunications and Postal Services], Ministry of Construction and Ministry of Transportation.

The new agreement was reached following the visit to this country from Wednesday, 11 May, to Saturday, 14 May of this year by the secretary (minister) of communications and transport of Mexico, Eng Rodolfo Felix Valdez. He came to this country on a visit which the Mexican embassy in Managua described in a press release as "of observation, of solidarity and of cooperation with the people and Junta of the Government of National Reconstructions (JGRN) of Nicaragua," in response to an expressed invitation of the Nicaraguan minister [sic] of telecommunications and postal services, Sub Commander Enrique Schmidt.

According to expanded details obtained yesterday by EL NUEVO DIARIO, "the various bilateral pacts, agreements and programs that exist between the two sister nations, and the fact that the Framework of Cooperation Agreement soon will be signed between the two governments" were taken into account as the bases for the agreements reached by the senior Mexican official and the ministers of construction, TELCOR and transportation of Nicaragua.

During his visit to this country, the secretary of communications and transport of Mexico, Eng Rodolfo Felix Valdez, had the opportunity to tour the training center and automated plant in the city of Esteli and various installations in Puerto Cabezas and Corn Island.

He also showed "strong interest during his exchange of views and technical opinions with various officials of the Nicaraguan Government, especially with the JGRN coordinator, Commander Daniel Ortega Saavedra, who received him a few hours before his return to Mexico, and with the minister of interior, Comandante Tomas Borge, with whom he examined broadly the prospects for cooperation between the two governments," added the Mexican embassy.

The Mexican embassy press release issued at the end of the visit of Eng Felix Valdez to Nicaragua also said that as a result of all these talks "it was decided to establish programs of technical cooperation and of equipment and material supply, as well as of mutual cooperation on specific projects, which will be defined at the proper time when the Framework of Cooperation Agreements is completed."

The programs agreed upon between Nicaragua and Mexico provide for technical assistance in the following areas:

Telephony, telex, postal services and data transmission. The National Telecommunications School of Mexico will offer courses to Nicaraguan technicians and will send trainers to the Telecommunications Studies Center of Nicaragua (CETEL), in addition to materials and equipment for instruction and for the TELCOR national network, and various types of technology already tested in Mexico.

Regarding transportation matters, Mexico will help the Nicaraguan infrastructure with aerial photogrammetry, construction of bridges and construction and maintenance of country roads. It also will offer advice on railroad, port, highway and airport projects and on professional training for the merchant marine, air navigation and control and traffic of motor vehicle transportation.

The agreements also provide for technical assistance, advice and training for AERONICA [Airline] and INTECA, all of it within the training of Nicaraguan technicians on systems and computation engineering, as effective instruments for the administration, control and supervision of the programs.

The Mexican embassy press release adds that during the talks with the Mexican minister "very valuable opinions and advice were obtained from the minister of planning, Comandante Henry Ruiz; the minister of transportation, Carlos Zarruck; and the minister of construction, Commander Mauricio Valenzuela; as well as from the [Mexican] under secretary for communications and technological development of the SCT [Secretariat of Communications and Transport], Eng Javier Jimenez Espriu."

The considerations weighed to reach these agreements include the following salient thoughts: "that the ties that bind the two nations should be translated into concrete actions that would lead them to reach higher levels of development and well-being on the basis of equal rights and respect for national laws and sovereignty;" and "that the Revolutionary Government of Nicaragua is facing problems whose solution is becoming increasingly necessary to complete national reconstruction within the least possible time."

It is likewise established in the bases of the agreements that the two sides are "aware of their concurrence on the principles of people's self-determination, of nonintervention in the domestic affairs of states and of solidarity among fraternal peoples," concluding that "wishing to find viable, quick and effective solutions to their problems, they have decided to establish the programs of technical cooperation, of equipment and material supply, and of

mutual cooperation on specific projects, which will be defined at the proper time when the aforementioned Framework of Cooperation Agreement is completed."

The document was signed for the JGRN by the ministers of TELCOR, construction and transportation; and for the United Mexican States by the aforementioned secretary of communications and transport, Eng Rodolfo Felix Valdez; by the under secretary for communications and technological development, Eng Javier Jimenez Espriu; and by the ambassador of the fraternal country in Nicaragua, Augusto Gomez Villanueva.

9925

CSO: 3248/866

ALTERNATIVES TO SILES ZUAZO'S POLITICAL CRISIS SUGGESTED

Buenos Aires SOMOS in Spanish 13 May 83 p 26

[Article by Daniel Ceccini and Leticia Sainz]

[Text] "In reality, Siles Zuazo has had problems since he crossed the threshold of Government House 7 months ago, although never as many simultaneously as now." With these words, an old chronicler accredited with the Burnt Palace synthesized a widespread opinion in the political circles of the Bolivian capital: The 74-year-old president is being checked from three separate sides and the continuation of his tenure depends on the speed and decisiveness with which he can resolve the crisis that is deteriorating the image of his government without however losing his balance.

Specialists infer three fundamental problems which Don Hernan, as his followers call him, must deal with. First, there is the crisis amidst the political coalition that brought him to the presidency; this includes the historical fight that he sustains with the labor leader Juan Lechin Oquendo, a fight that prevents the settlement of the conflict with the state's largest mining company. Second is the virtual government crisis provoked by the resignation of three of his ministers. In the last vertex that closes the triangle that threatens to asphyxiate him is the growing unrest of some factions of the armed forces because of the presence of a civilian in the Defense portfolio.

The negotiations aimed at restoring the battered Popular Democratic Union (UDP), with which Siles came to power, continue to be in neutral gear in spite of the warnings made to the government from one or another faction, warnings embodied in a communique from the private sector maintaining that "tomorrow may be too late to save democracy." The three parties that make up the coalition, the Nationalist Revolutionary Movement of the Left (MNRI), the president's party, the Movement of the Revolutionary Left (MIR), led by vice president Paz Zamora and the Bolivian Communist Party (PCB) have yet to find the key that will open the door to a solution of their differences.

This situation seems to derive from the internal differences within the MNRI which has been divided since January between the "legalists" and the "palatials." The former hold the parliamentary majority and accuse the others ("embedded in the political portfolios of the cabinet," according to its detractors) of "impeding the reincorporation of the MIR into the coalition."

For many, the main person responsible for this confrontation that is tearing apart the coalition of Siles Zuazo is his present political advisor, Felix Rospigliosi Nieto, a kind of grey "eminence grise" that is completely opposed to a reconstruction of the front without eliminating first certain "legalists" that encumber his plans. A reflection of this silent struggle is the resignation of the minister of foreign affairs, Mario Velarde Dorado "due to discrepancies in the political leadership of the government, particularly in the MNRI."

Although many criticisms are aimed at the presence of the Communist Party in the coalition (a presence contested even by the mining factions, from which the PCB is supposed to derive its bases), the appointment of a civilian to the Defense portfolio has provoked more than one irritant within the Armed Forces. Rumors of a coup are again circulating during these days in the streets of La Paz.

For those who follow closely the vicissitudes of Siles' government, the solution could include one of the following four alternatives:

- The return of the MIR to the government, for which Rospigliosi Nieto would have to resign.
- The departure of the Communist Party.
- The widening of the power base.
- The naming of a military man to the Ministry of Defense.

While these topics are debated, Bolivia lives a constant in its history: political unrest. For starters, there has already been a call for early elections, the first since the coming to power of Hernan Siles Zuazo.

12381

CSO: 3348/408

DAILY SEARCHES FOR ROOTS OF UDP DECOMPOSITION

La Paz EL DIARIO in Spanish 12 May 83 p 2

[Commentary by Jose Carrasco]

[Text] Political groupings are the framework that must move the pyramid of the state. Because of this, the future projection of the institution of the state depends on the functioning, the vitality and the organization of these groups. The political groups appear in our time as parties which should be governed by a law according them the legal status.

The divisions in our country have brought about an excessive profusion of political parties. This does not even happen in countries with a high population density. As a consequence of these divisions, increasing political polarization has occurred that affects the good government needed by any state.

Because of such widespread disintegration, the coalition of political groups with the same affinities is a must. This in turn permits more adequate representation and prevents the sort of bogging down that we have experienced in the immediate past. The past elections prove our point. If we want to come out ahead with a well-conceived democratic process, it is time to think about the amalgamation of political groups so that a strong one may be formed and become predominant. Another way to avoid the scattering of power could be the creation of fronts that would permit the concentration of votes and public opinion. This would be pursued until a consensus giving stability to a future government could be reached.

In the recent past, these alliances were formed because no single party was capable of mustering enough support from the citizenry. For some, this was merely an electoral alliance serving exclusively for the purpose of obtaining votes. For others, the program of government expressed as an electoral platform is the common denominator that keeps them together in a government if the voting is favorable to them.

It is said that the Popular Democratic Union (UDP) was formed on the basis of the preceding general criteria in 1975, although it didn't visibly surface until 1978. There was apparently no common ideological aspects on which to base its creation. There was undoubtedly a common juncture that united them: their opposition to the regime in power at the time. It is said that they

embarked on an electoral fray on the basis of a program of government. Some also affirm that in 1980, while still fully in opposition, they prepared the plans of government.

According to its leaders, the political parties that constituted the UDP did not get along from the beginning; this is now known. Because of this, one could hardly expect a sudden harmony at the present time although this would be advisable to help them defend their position in power. On the contrary, the struggles between the parties are intricate.

We need not bring back the distant past; we can remember that at the beginning of the month, one of the deputies of the Movement of the Revolutionary Left (MIR) reinitiated the attack against what is called the "palace group." According to its detractors, it is made up of prominent militants trusted by the Nationalist Revolutionary Movement of the Left (MNRI). The worst thing about the MIR members' views is that they recognize an "erosion of the government" exacerbated according to them by the "palace group." There is no doubt that there is a political erosion, often caused by excessively impetuous declarations of this kind which accelerate this process.

The exercise of power erodes. The UDP has suffered an unprecedented political tarnishing in the last few months. No one escapes this truth, not even those who would like to have it that way and who have had affectations about this. The lamentable thing about this situation is that the political erosion of a front which is initiating a democratic life in a country also brings institutional problems to the state.

12381

CSO: 3348/408

BRIEFS

URBAN GROWTH—The minister of urban and housing affairs, Jaime Ponce García, affirmed that Bolivia suffers from a process of accelerated urban growth caused by rural-urban migration and urban demographic growth. These affirmations were made yesterday at the National Symposium on housing and urban policies being carried out at the "Franz Tamayo" Cultural Center where the minister of Urban and Housing Affairs expanded on the theme of housing. Ponce García stated that although the housing problem is one of shortage, it is first and foremost one of deficient development. He also said that urban areas are better off than rural ones, the latter having housing conditions that are estimated to be inadequate for human habitation in 80 percent of the cases. Finally, Minister Ponce García focused on the problems of costs saying that these are very high in Latin America and Bolivia. This feature is a very important one that must be understood in order to explain the minimal access urban dwellers have to home ownership. [Text] [La Paz HOY in Spanish 18 May 83 p 3] 12381

LABOR FORCE UP—The labor force, or Economically Active Population (PEA), grew at an annual rate of 2.82 percent during the last 10 years according to estimates made by the National Institute of Statistics (INE). The urban rate of growth was of 4.52 percent while the rural one was of 1.55 percent. During the 1972-1982 decade, the ratio of the rural force to the urban one declined from 60 percent in 1972 to 52 percent in 1982. The urban segment of the economically active population increased from 40 to 47 percent because of the rural to urban migration which intensified in the last decade. This economic indicator is constituted by the people who provide the available labor force for the production of goods and services and therefore includes the employed as well as the unemployed. The annual rate of increase of the labor force is higher than that of the total population, which was 2.68 percent. According to the institute, this is due, among other factors, to the increase in the number of people who are entering the labor market every year. [Text] [La Paz PRESENCIA in Spanish 18 May 83 p 8] 12381

NEW HIGHWAY—The government inaugurated construction on the Quiquibey-Yucumu highway as part of the La Paz-Beni road project that will permit the integration of the altiplano with the east of the country. The minister of transportation, Hernando Poppe, said at the initiation of the work that the completion of the highway will stimulate socioeconomic development for the country. The work will be carried out in accordance to preestablished plans, he said. [Text] [La Paz Hoy in Spanish 18 May 83 p 3] 12381

CSO: 3348/408

MANIFESTO SUPPORTING FIGUEIREDO'S CONTROL OF SUCCESSION; REACTION

Signatures for Manifesto

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jun 83 p 4

[Text] The national leadership of the PDS [Social Democratic Party] and the party leaders in the Chamber and Senate yesterday began collecting signatures for a manifesto to deliver to the president of the republic, reaffirming support for his coordination of the succession process. The document was suggested to the PDS by Leitao de Abreu, minister of the civilian household, at a meeting yesterday morning.

It was said in congress that the move by Planalto Palace was aimed at reestablishing control over the presidential succession, which had been shaken by the effrontery of former Governor Paulo Salim Maluf, and control over the government party, divided among the various presidential candidates and an alternate slate which will compete in the election for the national directorate, against the wishes of the leadership.

After the meeting with Leitao de Abreu, Senator Jose Sarney and leaders Nelson Marchezan and Aloysio Chaves met with Flavio Marcilio, president of the chamber, who was the first to sign the manifesto supporting Figueiredo. Marchezan also met with his vice leaders, advising them of the need to mount a campaign in support of the president of the republic with regard to the succession process, so that he will not have to go back to the Armed Forces for support.

According to informants, Marchezan's statement was a repetition of the one which Minister Leitao de Abreu had made to the PDS leadership. Since last week, the PDS leader in the Chamber has been alerting the politicians to the importance of having the president maintain control over his succession, noting that it is also imperative for the continuation of political liberalization.

All the PDS vice leaders had already been informed that President Figueiredo was piqued by the declarations of deputies Haroldo Sanford (PDS-Ceara) and Ernani Satyro (PDS-Paraiba) supporting the candidacy of Paulo Maluf, which the president considered a challenge to his leadership. The former governor of Sao Paulo himself was made aware of the situation by Deputy Nelson Marchezan and Flavio Marcilio, president of the chamber.

Marchezan and Sarney spent the day seeking support for the manifesto, assigning the coordinators of the PDS benches in the states to collect signatures from their coreligionists.

Deputy Theodorico Ferraco, who is coordinating the dissident slate which will run for the national directorate of the party, told Marchezan that he could not collect signatures from his colleagues in the state, while Maluf supporter Heraldo Sanford said he would not sign anything in support of the president. "I want to be free to vote at the convention," he explained.

The leadership of the government party is convinced that Ferraco is working with Maluf in launching an alternative slate for the national directorate. It understands that the former governor is not submitting to the president's coordination but, instead, wants to make his own candidacy a fait accompli. The leadership also believes that the "Malufists" worked together to insure that Maluf would win the poll conducted by JORNAL DO BRASIL, as yet unpublished.

Members of the PDS leadership say that Maluf's impudence may be jeopardizing the authority of the president of the republic, and that this would be looked upon with some alarm by some sectors of the Armed Forces.

The test of the manifesto in support of Figueiredo is as follows:

"The country is experiencing a serious crisis. The moment calls for a positive contribution from the political class, and at this time the best way to help the country is to strengthen the political command of Your Excellency, Mr President, so that you may proceed with the worthy and patriotic project of perfecting the democratic institutions.

"Our party, through its national directorate, has given Your Excellency the task of coordinating and leading the succession process. Now it is the responsibility of our benches in the Federal Senate and Chamber of Deputies to reaffirm that decision, to ratify it, in the certainty that, in so doing, they are making an invaluable contribution to the succession process."

Reaffirmation

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jun 83 p 34

[Text] Within the week, Jose Sarney, president of the PDS, and leaders Aloysio Chaves and Nelson Marchezan could go to the Planalto Palace with a manifesto signed by senators and deputies reaffirming support for the president's coordination of the succession process.

Marchezan reported yesterday that the coordinators of the PDS bench are not finding it difficult to obtain support for the document and expect to have all the signatures by tomorrow. He said that no date had been set for its delivery. It will be arranged with Minister Leitao de Abreu as soon as all the signatures have been obtained.

Asked if the manifesto is in opposition to the candidacy of Paulo Maluf, the PDS leader reacted vehemently: "No one has asked Maluf, Andreazza, Aureliano or Marco Maciel to renounce his candidacy." He added: "I am not saying Maluf has been vetoed. I am not saying Maluf is the government candidate. The government has no preference yet and the document is not against any candidate."

Among the PDS deputies, it was said with insistence yesterday that the manifesto was not the idea of the president himself, but of Leite de Abreu, chief of the civilian household, to "show service" to the government. It was also said that there had been two versions of the document. The first one entrusted the president with the task of naming his choice to succeed him, but it was revised

at the urging of Marchezan and Sarney. The two politicians told Minister Leitaó de Abreu that it would be almost impossible to win the support of all the senators and deputies for such a broad delegation of power.

As Deputy Marchezan told his colleague Israel Pinheiro (PSS-Mato Grosso), the fact that the document was not the president's initiative calmed the deputies who saw it as indicating an imminent government crisis or as a threat to the political class.

Nonetheless, even the senators and deputies who do not support Paulo Maluf consider the document which they are signing to be innocuous and unnecessary. They do not believe it will inhibit anyone in his choice of a candidate to succeed President Figueiredo. The majority believe that another document of the same kind would have difficulty getting signatures in the future from those who yesterday responded to the appeals of Marchezan and Aloysio Chaves.

While it was being said in Congress that Leitaó de Abreu, minister-chief of the civilian household, had telephoned the PDS regional presidents, asking them to intervene with federal deputies to subscribe to the document, the PDS leader in the Chamber denied that he was having any problems getting signatures as a result of internal disagreements in the PDS.

"I do not feel there is any division in the government party," he said, assuring that "when the time comes when we must be together, we are united." According to Marchezan, the fact that 126 of the 235 PDS deputies support Maluf for president, against the wishes of Figueiredo, does not mean that the party is divided.

Senator Helio Gueiros (PMDB-PA [Brazilian Democratic Party-Para]), commented on the manifesto on the Senate floor, describing the text drafted in Planalto Palace and sent to the congress as "childish." He lamented that the internal management of the PDS "puts the whole country on edge," and considered it absurd that the whole problem had been created by Paulo Maluf's candidacy.

According to Gueiros, the terms of the document make it a "kind of bracer, a Fontoura Biotonic for the president of the republic"--for the enfeebled president of the republic, he added, "who no longer has the power to control or confound the activities of Paulo Maluf."

Military Pressure Denied

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Jun 83 p 5

[Excerpt] Vale do Paraiba--Gen Danilo Venturini, minister for land-related issues and secretary of the National Security Council, guaranteed yesterday in Guaratingueta that the manifesto signed by PDS senators and deputies in support of President Figueiredo "was not the result of pressure from military sectors." He also denied that segments of the Armed Forces are forcing politicians to sign the document. He stressed: "The military ministers are faithfully carrying out the orders issued by the president of the republic, and the hierarchy does not permit its subordinates to violate the president's directives. Therefore, there is no thought of a military coup, as has been rumored."

According to the minister, the manifesto was not the result of a crisis regarding the choice of the future president. He said the document was only a confirmation that "Figueiredo will fully exercise his authority as honorary president of the PDS and as coordinator of the succession process, as delegated by the party."

Nor, in his view, is the purpose of the manifesto to bar the candidacy of anyone who does not have the direct support of Planalto Palace. "The sole purpose is to more fully ratify the authority which the president received from the national directorate of the party."

Venturini would not comment on statements by Deputy Thales Ramalho (PDS-Pernambuco) that the document was important in keeping the succession issue confined to the congress and the president and removed from the military. "You (journalists) must keep two things separate," the general declared. "One of these things is the statement by Deputy Thales Ramalho, which I have not read and therefore cannot comment on, and the other is the absolute respect indicated by the delegation of powers which the PDS members gave to the president."

Maximiano: Politicians Will Decide

(Belem correspondent) "The politicians, and not the military, will decide the political future of Brazil," Navy Minister Maximiano da Fonseca declared yesterday on his arrival in Belem for a 3-day visit to inspect the units of the 4th Naval District. The minister was replying to newsmen who asked his opinion of the candidacy of Gen Walter Pires, minister of the army, to succeed President Figueiredo.

Adm Maximiano da Fonseca feels that the succession process was launched "prematurely," but he recognizes that the presidential campaign is "already in the streets and nothing can be done to stop it." He preferred not to comment further about the names that are being presented or about the PDS initiative to authorize President Figueiredo to lead the succession process. "You should be asking the PDS members themselves about that," he observed.

Lack of Coordination

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Jun 83 p 5

[Article by Carlos Chagas]

[Text] The dumb show was over almost before it began; if there is a crisis--and there is one--it is an economic crisis. It could become a social crisis and, consequently, a political crisis. But it is not a military crisis. One need only note the surprise with which the military ministers and their advisors heard, from Monday to yesterday, speculations and analyses that a military "pronouncement" was imminent because of the lack of PDS support for Gen Joao Figueiredo. It was nothing of the kind, because the military, headed back to the barracks, are not much interested in the formation of dissident slates in the official party or even in the greatly premature predictions regarding the succession. They are not meddling in party affairs and are surprised by fears that they are "about to support the president, since the politicians are not supporting him." For over 19 years they have given support, even specific support, to governments formed by their own ranks, making any reaffirmation unnecessary.

Asked by the press about rising military indignation over PDS rebellions, Air Force Gen Delio Jardim de Matos could not even believe the question. "I don't know a thing about that," said the aeronautics minister, adding that the Armed

Forces do not have to supplement party support for anyone, because its support of the government is permanent and absolute. Adm Maximiano da Fonseca, minister of the navy, chose to reply with humor, recalling the father who prevents his son's mischief by threatening to call in the bogeyman.

The same is true of the Army. Although Gen Walter Pires has maintained his customary silence, his principal aides have reiterated that the Army does not interfere in party politics.

In short, none of the military ministers, much less the Army and AirForce generals or admirals in the major national command posts has passed on or personally reported any fears, misgivings or personal feelings to the president of the republic about the behavior of the PDS. It is not their problem; they do not even have to know about it. Obviously, like any citizen, they are concerned about the country's serious and difficult problems. They are middle-class; they suffer from the same afflictions as most of the population and they are equally affected by the economic crisis, but they hope the obstacles will be overcome, under the unquestioned leadership of Joao Figueiredo. Period.

Hence it is worth asking why, overnight, the country became involved in artificial and paranoid speculation regarding a new military-revolutionary uprising.

Although the congress has traditionally been a sounding board for rumors, a permanent hotbed of horror stories, it is difficult to believe that the story of the bogeyman came from the congress--in this case, the mischievous child. It would not occur to the deputies or senators, rebel or otherwise.

Lacking another explanation, the presumed author of the scenario is a member of Planalto Palace. There is no denying that it all began last weekend after Minister Leitao de Abreu met with PDS president Jose Sarney and leaders Nelson Marchezan and Aloysio Chaves. The chief of the civilian household informed them of the need for unequivocal proof of the party's solidarity with the president. Or else--or else the military would step in, it began to be said fearfully in the benches. Hence the idea of a manifesto in support of the president of the republic in his management of the succession.

The text of the manifesto would serve to soothe the effects of the strange presidential vision--called the "Immaculate Conception," because, if it happened, no one witnessed it--that the federal congressmen would lean toward Paulo Maluf. It was also needed to nip in the bud the revolt led by Deputy Theodorico Ferraco, architect of a slate in competition with the official slate for next month's election of the new national PDS directorate. In specific terms, [it was argued that] it would also generally strengthen the president's authority in the search for solutions to the economic crisis.

It makes no difference if the reminder of the military threat came from Minister Leitao de Abreu or from one of his spokesmen; it swept through the halls and offices of the congress, causing gooseflesh and raised hackles.

Today it is felt that the sainted name of the Armed Forces was taken in vain. As Flavio Marcilio, president of the chamber, put it so well, an artificial crisis was created, blunting the real crisis, the economic crisis. Why? First, to prevent the possibility of a parallel and unknown command in the PDS, capable of living with the rebellion of Sr Ferraco and his colleagues, apparently in the majority; and second, to slow the momentum of the Malufist venture, which comes to the same thing, because the dissidents who are threatening to take over the directorate are, not coincidentally, the same ones who are supporting the former governor of Sao Paulo.

The absurd thing about all this, including the irresponsible allusion to military stirrings, is that the government continues to attack the effects, instead of looking at the causes. Uncoordinated (ironically, when it is trying to emphasize the coordinating role to be exercised by Gen Joao Figueiredo), the executive seems to be firing blindly.

If the PDS is irritated, insubmissive and rebellious, it would be much better to find out why and to look for effective remedies, and not to try to control it with threats of the Indian club and the mace. Years ago, when a huge strike by the Minas Gerais railway workers threatened to disrupt the distribution of supplies throughout the state, an advisor asked Governor Milton Campos if he would immediately arrange for a military train to frustrate the strikers, whose wages had not been paid. With his great good sense, the late beloved liberal responded with another question: "But wouldn't it be better to send in a train with their pay checks?"

As usual, the president's political aides do not understand. The slate of Deputy Theodorico Ferraco and the Maluf candidacy come out of the same cask, factors less important than they appear, although--since they have crystallized--they deserve careful watching. The PDS is spluttering and showing signs of rebellion because it continues to be ignored, receiving the same treatment from the power centers as the defunct ARENA [National Renewal Alliance], which was only expected to comply, obey and bow. Times have changed; there is no longer the shadow of the institutional acts, and the party cadres may react as they will to the Olympian contempt exhibited by Planalto Palace. They protest or unfurl banners, but the majority are much less concerned with the histrionics of the current flag bearers than they are with seizing another opportunity to say "we are here, we are alive. We have suggestions and opinions; we cannot continue to be left out, either in the sun or in the cool night air."

If the government woke up to the importance of participation by the party, none of this would have occurred. But it is asleep, and no manifesto will fix things up. In the Congress, shrewdly, everyone signs everything.

Less pessimistic, Deputy Thales Ramalho notes that a signature is, after all, a signature, and if almost all the PDS renews the blank check given to General Figueiredo to direct the succession process, the debt will be collected in due time. For this reason, he shuns the Malufist venture and is attentive to the importance of giving maximum support to the president in this serious economic situation. Let us hope for the best, but in light of the doubt, if the government is to avoid future problems, pointing to a serious political crisis, it would be useful for it to leave Mount Olympus and descend to the plain, hearing the demands and hopes of its party members and really giving them consideration, without making concessions for the sake of appearance or cheap politics. Then, and not until then, the coordinator, with his coordination reaffirmed, may peacefully begin to coordinate.

FIGUEIREDO APPEARS TO FAVOR INTERIOR MINISTER AS SUCCESSOR

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jun 83 p 4

[Article by Carlos Chagas: "Andreazza, Planalto's Preferred Candidate"]

[Text] Wednesday, when the outcome of the preliminary polling of state delegates to the national PDS [Social Democratic Party] convention elected Sunday were becoming known, Gen Joao Figueiredo summoned Mario Andreazza to Granja do Torto. There was no longer any doubt among presidential aides that the interior minister was in first place in the surveys and analyses of PDS trends. Not only in the public polls, reported yesterday by us and by JORNAL DO BRASIL, but also in the private ones conducted by the SNI [National Intelligence Service].

It wasn't long until Figueiredo was saying to Andreazza:

"Well, are we going to defeat Maluf?"

Reply: "If it were up to us, we already have."

As a matter of fact, the minister already had, even before the polls, insofar as he had become the secretly preferred personal candidate of the president and his chief advisers. A few weeks ago, not only Leitaõ de Abreu but also Octavio Medeiros, Danilo Venturini and Rubem Ludwig privately expressed their preference for him as the solution for upsetting Paulo Maluf's efforts and as the one whose ideas were closest to their own. But as Figueiredo has been saying, everything depends upon the wishes of the PDS majority, which he will follow, with the obvious exception only of the former governor of Sao Paulo.

During the conversation, which lasted over 1 hour, it was agreed between the president and Mario Andreazza that for the present the strategy of presidential succession will not change. Announcements or proclamations about the minister already being the official and appointed candidate should not be expected. Figueiredo will continue his work of coordinating, or arranging, as he said recently in Cuiaba, sounding out party members and learning their preferences. Much less is Andreazza likely to go about publicizing his position as the PDS convention's preferred candidate or let himself be transformed into a declared heir or shadow government. To stay on the safe side, this is now the party's trend, which must be sustained and even broadened over a long period. More than ever, he will concentrate his

activity in the Interior Ministry, although in trips to the states and during his stay in Brasilia he will gradually step up his contacts in the political area. He will go right on saying that Gen Joao Figueiredo's coordination of the presidential succession is proceeding smoothly, that it is still too early for any definitive decisions and that the important thing this year will be working to overcome the economic crisis and to moderate its social effects.

But there are no doubts that, unless the trend changes, he is the candidate. He believes that opinions expressed in favor of other candidates--except for Paulo Maluf--can be diverted to whomever the president eventually picks. In this instance, himself. By means of patient and careful work which will involve meetings with the other aspirants, from Aureliano Chaves to Antonio Carlos Magalhaes, from Marco Maciel to Helio Beltrao and Costa Cavalcanti. He believes unity is natural and necessary, formed not around him personally, but around whomever Figueiredo eventually presents to the party as the result of his soundings.

Andreazza realizes the road will be hard and, based upon the earlier instance of the Sao Paulo succession in 1978, will not stand by idly or rest on his laurels. He must expand, sustain and consolidate the support he is now receiving from the PDS.

As of now, he has no platform, nor does he plan to draft one this early. In fact, he stated that, when the proper time arrives, he will ask the PDS, through its channels, to begin drafting it. He will be a candidate of the party, chosen by the rank and file, not imposed from above. This, in fact, has been one of his major concerns. Of course, he does not conceal certain broad principles or basic ideas in private conversation.

Politically, for example, he believes the next president of the republic will have a mandate to consolidate the democratic liberalization undertaken by Gen Joao Figueiredo. To remain on the same track.

In terms of party politics, he has concerns. The economic crisis, the difficulties faced by society and the impasses arising due to conditions abroad cannot help but favor the opposition, as already occurred last November. Thus, he will have to bolster the PDS, its office holders and its political leaders, so they can be in a position to win the 1986 elections. This, in fact, may have been one of the reasons for the amount of support he has received in the polls. PDS deputies and senators know that without a popular president, with an image capable of offsetting the opposition's message, it will not be easy to avoid a catastrophe a little more than 3 years hence.

As for the crisis itself, he has stressed that at the international level the path is simply this: to pay the debt and find a way to reduce it, in keeping with our potential and also with our interests. There are no magic formulas and sacrifice will still be necessary for a long time, shared by all classes of society. He believes, however, there is room for domestic social action, according to our means. President Joao Figueiredo was forced to interrupt the pace of many social proposals contained in his government's policies, due to the crisis. The main thing will be to carry them out.

As was made explicit in the Granja do Torto conversation 2 days ago, the important thing is to avoid undue haste and firmly proceed along the course taken by PDS trends. Not arriving at foregone conclusions and making sure the party becomes increasingly united. The moment of announcing the official candidate, if indeed it is to be Andreazza, is up to Figueiredo. There are no indications in this regard. Depending upon events and confirmed and reconfirmed trends, it may be in August, and it could just as well be toward the end of the year. Partly because, should current trends continue, there will be some rough edges to polish, in removing obstacles to naming the interior minister. The military will not be said to have a veto, an inadmissible eventuality at a time when the armed forces are returning to the barracks. But some explanations and conciliations will become necessary. It will also be necessary, in overcoming obstacles, to induce Gen Ernesto Geisel to take a less implacable stance. The former president's reservations regarding the interior minister are rather well known and, even though he does not command any armed divisions or party contingents capable of upsetting events, it would be desirable to neutralize his opposition. The same thing goes for General Golbery do Couto e Silva.

Within this new situation, there is no reason to dismiss the Maluf candidacy completely. The former governor has suffered a loss, but will not abandon the field. Maybe what he should do is shake up his staff and get rid of, if not Dr Calim Eid himself, at least the computers he said he had, well-oiled and predicting his candidate's victory. In politics, technology always malfunctions, generally going in reverse. But just yesterday Paulo Maluf's supporters were meeting to look over the succession situation and their predominant theme was to the effect that the press should wait for the next polls, as there will certainly be others.

The vice president of the republic, taking an ethical stance, has always said he would not run against the president's candidate, whoever he may be, although he has his own opinions in the matter. Nor has he abandoned his own pretensions, as he is third on the list. As for the rest, from Marco Maciel to Antonio Carlos Magalhaes, from Costa Cavalcanti to Helio Beltrao, all they can do now is work for the vice presidency.

8834

CSO: 3342/137

GOVERNMENT TO INVEST \$500 MILLION IN SCIENTIFIC RESEARCH

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Jun 83 p 18

[Article by Rosangela Bittar]

[Text] The Brazilian Government will spend a total of \$500 million (252.2 billion cruzeiros) on the Program of Support to Scientific and Technological Development (PADCT) over a 5-year period, to begin in August. Of that total, \$200 million (100.8 billion cruzeiros) is a loan from the IBRD (International Bank for Research and Development), the first under the terms of a general accord to be established for the science and technology sector.

In the first week in July, an IBRD evaluation mission will arrive in Brazil to analyze the procedures, criteria and programs defined by the four agencies that will administer the PADCT in Brazil: CAPES (Coordination of Advanced Training for Higher-Level Personnel), an agency of the Ministry of Education; STI (Secretariat for Industrial Technology), of the Ministry of Industry and Commerce; CNPQ (National Council for Scientific and Technological Development) and FINEP (Funding Authority for Studies and Projects).

The World Bank, which usually prefers the "project loan (a loan for specific projects generally drawn up by an individual agency), has accepted the Brazilian proposal requesting a "sector loan," a broader loan for an entire sector, in which the executors and projects need not be specified, giving the country greater flexibility and autonomy.

This program will be administered by a coordinating commission consisting of the presidents of the four Brazilian financing agencies; four representatives of the scientific community who participate in the CCT (Council of Science and Technology); and all the coordinators of the CCT subcommittees. The commission's function will be to define policy and to supervise the distribution of funds among the various projects to be conducted.

Six Areas

Six areas of science and technology are covered by the accord: chemistry and chemical engineering, geoscience and mining technology, biotechnology, basic industrial technology, scientific instrumentation and education. The program for each of these will be defined by six technical advisory groups, with 15 members apiece--4 representatives of the government institutions and 11 representatives of the scientific community. The programs will be organized by the advisory committees (consisting generally of four specialists) from CAPES, the CNPQ and FINEP for each of the six areas.

Ivan Rocha, advisor to the president of the CNPQ for the program, stressed that the scientific community will participate in the three levels of the organization: operations, planning and policy. The technical group which will formulate the projects in the six areas, based on the priorities of the government programs and the PBDCT (Basic Plan for Scientific and Technological Development), will meet on 15 and 16 June. The projects will be evaluated in the beginning of [July] by IBRD.

The six areas to which the funds will be allocated were determined by Brazil. As Ivan Rocha explained, in the Basic Plan for Scientific and Technological Development, strategic programs are stressed in each area. The space program, the program for exploitation of marine resources, energy, agricultural development and data systems and electronics are considered by the PBDCT to be strategic and are well taken care of in terms of financial resources and projects. Although the other sectors are also strategic, they had not yet received adequate support and financial resources.

In the sector of basic industrial technology, for example, the plan is to achieve the goals for development of metrology, standardization, quality control, automation and some prototypes and services for the extension of technology. In the PBDCT, this is considered a strategic area for the growth of exports. In the area of mining technology, Brazil has been losing from 20 to 30 times what it exports for lack of coordination and greater integration of the scientific community with the productive sector. Many countries have invested heavily in the area of biotechnology, with genetic engineering considered the technology of the year 2000. In the chemistry sector, engineer Ivan Rocha noted, the demand has increased greatly and this is a basic area for the development of the country, which is a major importer of chemical products. Scientific education is another important strategic sector which will receive funding and support through the new IBRD loan.

The World Bank has agreed to disburse funds as much as 180 days before the contract, which is why the CNPQ advisor believes it will be possible to test some projects as early as August. The loan runs for 15 years, with interest of 10 percent per year.

Integration

Eight activities will constitute the projects and programs for the six strategic areas. The first of these is manpower training, with support for post-graduate study, training of specialists in Brazil and abroad, and training of technicians to operate and maintain equipment. Another activity to be conducted in all the areas is the creation of infrastructures, through the installation of laboratories and improvement of the existing laboratories in universities, companies and institutions. Service activities include all those pertaining to information, creation of a Bank of Reagents and Replacement Parts, and the installation of centers for maintenance of equipment. There will be research in the six strategic areas, as well as technological extension. It is planned to contract out projects, develop prototypes and processes and facilitate the transfer of the technology already existing in the universities and institutions to small and medium companies, to promote this integration.

Installation of pilot plants, improvement of management and planning systems, training of administrative personnel and interchange and cooperation are included in the projects to be defined.

6362

CSO: 3342/131

BUDGET SHOWS CUTBACKS FOR STATE-OWNED COMPANIES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jun 83 p 22

[Text] Nelson Mortada, secretary of SEST, yesterday announced the new version of the budget for the state enterprises this year, with a reduction in the overall allocations to the 339 budgeted enterprises on the order of 2 trillion cruzeiros, or 2 percent of the Gross Domestic Product. The measure complements the economic "package" divulged last Thursday by the National Monetary Council.

According to Mortada, comparing the second version of the SEST budget released yesterday with the actual budget for last year, there was a real reduction (not counting inflation) of 24 percent in the investments of the state companies, considering only domestic spending, purchases of goods and services in the domestic market. Taking into account domestic and foreign spending--in this case acquisition of raw materials, including petroleum, the real reduction in the investments of the state enterprises was 20 percent.

Also according to Mortada, in terms of overall expenditures, again comparing the 1982 SEST budget and the new version of the 1983 SEST budget, there is a real reduction of 3 percent, taking into account the effect of the exchange rate on the increased prices of imported raw materials.

Mortada explained how the cut was arrived at. The parameters which determined the values in the first version of the 1983 SEST budget have been altered; inflation from January to December, estimated at 70 percent, was corrected to 90 percent and the average inflation, projected at 78 percent in the first version, was readjusted to 99.1 percent in the second version, producing 21.1 percent higher values as a result.

This was followed by an adjustment of the parameter pertaining to the exchange correction, which was completely revised as a result of the maxidevaluation of 30 percent on 18 February and more frequent and larger minidevaluations. Mortada estimated that there was a difference of 51 percent in the exchange correction in the second version of the SEST budget, in relation to the first version.

TELEBRAS [Brazilian Telecommunications, Inc] was the only state company to come out well ahead. The new values are as follows: investments by state companies, 4,528.6 billion cruzeiros; overall expenditures by state companies, 22,783.2 billion cruzeiros; overall expenditures by the government, including Sinpas and federal banks, 33,633.7 billion cruzeiros.

The SEST secretary explained that, in the revision, all the values were updated, even the effect of the maxidevaluation on imported products and raw materials--

basically petroleum, in the case of PETROBRAS [Brazilian Petroleum Corporation]; coal, in the case of SIDERBRAS [Brazilian Iron and Steel, Inc]; and for Caraiba, copper plates for the first stage of lamination.

Personnel

Mortada said that a decree is still under study for the regulation of the wage scale for employees of state companies, placing restrictions on wages at the base of the pyramid--brackets of up to 10 times the minimum wage--to adjust wages to market levels. Mortada believes that a decision in this regard will be announced in the next few days and indicated that there will be no layoffs. On the contrary, with the implementation of such new projects as Tuberao, Valesul, the petrochemical center in the south and the third stage of the CSN [National Iron and Steel Company], there will certainly be more jobs in the state sector, which already employs 1.35 million people.

According to Mortada, this year the state companies will spend 3,167.2 billion cruzeiros on personnel and social services, as against an initial projection of 2,922 billion cruzeiros. The small difference is actually misleading, because the new parameters for inflation (up 21 percent) and the exchange correction (up 51 percent) were used to calculate the second [revised] figure.

Holdings

The SEST secretary also announced the new ceilings for the investments and overall expenditures of the major state "holdings," such as PETROBRAS, which will be able to spend 8,341 billion cruzeiros this year, including 1,218.6 billion in investments. In the first version of the SEST 1983 budget, later revised with the new parameters for inflation and monetary correction, PETROBRAS had 7,320.1 billion cruzeiros at its disposal for overall expenditures and 1,320.4 billion for investments.

SIDERBRAS will have overall expenditures of 2,486.3 billion cruzeiros, including investments of 381.4 billion cruzeiros, as against 302.8 billion cruzeiros in investments and 2,041.4 billion in total expenditures in the first version of the SEST budget.

TELEBRAS will have 1,316.2 billion cruzeiros to spend, including 475 billion cruzeiros in investments (1,180.5 billion and 494.7 billion, respectively, in the first version); the Companhia Vale do Rio Doce will have 1,014.0 billion cruzeiros for overall expenditures and 388.4 billion in investments (1,523.2 billion and 422 billion cruzeiros, respectively, in the first version).

The "holdings" in the electric power system will also suffer reductions in their expenditures. ELETROBRAS [Brazilian Electric Power Companies, Inc] will have only 2,530 billion cruzeiros to spend, including 708.5 billion in investments (as against 2,138.9 billion and 615.2 billion, respectively, in the first version). [Sentence as published.]

6362

CS0: 3442/131

DRAWBACK APPLIED TO RAW MATERIALS, COMPONENTS FOR EXPORTS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jun 83 p 32

[Text] Rio de Janeiro--CACEX [Foreign Trade Department] yesterday made all imports of raw materials and components used in manufacturing goods intended for export eligible for the "drawback" arrangement, for the purpose of increasing the volume of foreign trade, as announced yesterday by its director, Carlos Viacava.

In the next 12 months, imports eligible for drawback treatment will require funds of \$1.4 billion, but will wind up as exports of industrialized goods worth over \$3 billion, Viacava explained.

Drawback transactions--in which imported goods (raw material or components) enter the country free of import duties if they are to be incorporated into export goods --will require \$700 million of working capital. Of this total, according to the CACEX director, \$350 million will be provided by World Bank loans with a 10-year repayment period. The first disbursement of \$175 million will take place in October. The remaining disbursements will be made at the time the imports are made.

Imports included by CACEX, Carlos Viacava said, must not exceed 30 percent of the aggregate value of the exports which the business firms expect to make from them. According to him, the exports will have to be made within 120 days, mainly to speed up Brazil's foreign trade and increase its profitability. In case imports exceed 30 percent--but not 70 percent--the company may purchase above its ceiling if there is financing for the imports for 180 days and if the export is not financed by CACEX for more than 1 year. Following these explanations, Carlos Viacava announced that a communique will be released today listing the products that may be bought under the drawback arrangement, which will exclude, among other items, soybeans and meat.

In regard to his approaching trip to the Soviet Union 11 through 14 July, Carlos Viacava revealed that in Moscow he will join the meeting of the Brazil-USSR Joint Commission, where "we are going to increase our foreign trade." The objective is to increase Brazilian exports to that country in 1983, since in 1982 they fell to \$509.4 million from \$621.4 million in 1981.

In regard to triangular transactions for sales that Brazil will make to the Soviet Union and to France, Viacava said they are due to requirements of the latter country's financial institutions, such as Credit Lyonnais and the National Bank of

Paris, which are financing Brazil's exports. Brazil will export nontraditional products to Russia and buy traditional products such as wheat from France, which will be paid for in soybeans over a 3-year period. France, which will have more funds available because of Brazil's purchase of its goods, will be able to import more gas from the Soviet Union.

8834

CSO: 3342/137

CACEX DIRECTOR FORECASTS RECORD SURPLUS FOR JUNE TRADE BALANCE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Jun 83 p 29

[Text] Rio--This month Brazil's trade balance will reach a record surplus of \$756 million, with \$2 billion in exports and \$1,244 million in imports, raising the balance for the first half of this year to \$2.8 billion, almost half the goal of \$6 billion planned for this year.

The estimate was offered yesterday in Rio by Carlos Viacava, director of the Foreign Trade Department [CACEX] of the Bank of Brazil. He attributed the achievement to the maxidevaluation of the cruzeiro, the falling interest rates on the international market and the recovery of the world economy, particularly that of the United States.

If Viacava's projections for this month are confirmed, Brazil will need another \$10,399 million in exports in the remaining 6 months of the year to reach the goal for foreign sales in 1983, of \$23 billion. To stay within the goal of \$17 billion in imports, the country must limit its purchases to \$9,478 million in the second half of the year. Only \$3,122 million is needed to meet the goal of a \$6 billion surplus for this year.

The CACEX director also noted that there could be many surprises by the end of the year, because Brazil is acting aggressively in the foreign market, which is already much more receptive. In this regard, he noted that the government is still giving priority to the export sector, since it was "highly favored" by the most recent decisions of the National Monetary Council.

Resources

Viacava said the resources destined for Brazilian exports and imports for 1983, to be applied by FINEX [Financing and Export Fund] and Resolution 674 of the Central Bank, amount to 1.1 trillion cruzeiros (\$2,135 million), with another \$8 billion from Project 3, submitted to the international financial institutions for financing of Brazil's foreign trade. With all these resources, Brazil could have \$10,135 million, equivalent to 5,215 billion cruzeiros, this year.

According to Viacava, the major problem for the utilization of foreign funds is that the bankers refuse to lend money to high-risk buyers, countries of Latin America, Africa, Asia and Eastern Europe, making it difficult to expand Brazil's foreign trade.

Commenting on the initiatives to expand foreign trade, Viacava explained that his trip to Iran, scheduled for 16 June, had been postponed to 20 to 24 July. He mentioned some problems regarding exports to that country, including the Iranian requirement of a letter of credit for the sale of their petroleum, which should be approved by a group of 20 European banks. The goal is to increase Brazilian sales to Iran from \$200 million to \$600 million.

More Sugar

To take up these questions of payment to Iran, Vaacava traveled yesterday to Paris, where he will consult with bank officials. He will also take part in a meeting with the International Sugar Community; at a dinner offered by the Sugar Exchange, he will meet with the world's major operators. On that occasion, he plans to discuss a formula for increasing Brazilian sales of sugar and alcohol. In a meeting yesterday in Brasilia, the CACEX director took up the matter with technicians of the Ministry of Industry and Commerce, the Finance Ministry and the IAA [Sugar and Alcohol Institute].

Regarding petroleum, Viacava explained that in the first 5 months of this year, the country's oil imports amounted to \$3.75 billion, or 684,000 to 700,000 barrels per day at an average price of \$31 per barrel. He stressed that every "drop of petroleum that comes into Brazil" is computed in the trade balance, even though it will be paid for over a 2- or 3-year period.

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CS0: 3342/130

SUCCESS OF MILITARY MATERIEL AT PARIS EXPO DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Jun 83 p 6

[Article by Roberto Godoy, special correspondent: "Success of Brazilian Weapons Brings Results in Paris"]

[Text] Paris--French specialists in military materiel are impressed with the Brazilian manufacturers. First there was the impact caused by participation of two companies at the 35th Aeronautics and Space Exhibit at Le Bourget, when EMBRAER [Brazilian Aeronautics Company] and AVIBRAS displayed an impressive array of products for civilian and military use, the most complete and advanced of the heavy representation from Third World nations, until 1981 led by India. The Le Bourget exposition ended for the public on 5 June, but the negotiations continued, inside and outside the exhibition grounds.

In an exhibit hall of the exclusive Hotel Plaza Athenée, an equally select group of potential customers recently watched a videotape of the first actual firing of the AVIBRAS-Aeroespacial Astro II saturation-rocket multiple launcher. Before the eyes of the hushed audience, the armored truck shown on the screens in operation near the firing range of the Marambaia proving grounds in Rio de Janeiro is seen being quickly prepared, the "container" ramps raised in seconds to enter firing position. Suddenly a tongue of smoke and flame engulfs the truck's cab and a 300-mm SS-60 rocket, with a 150-kg warhead, emerges from the metal box, rising quickly to disappear in the distance. In the lower corner of the screen, a digital panel indicates: 70 km beyond, the target was hit, with an insignificant error of 1.6 percent. The results of this demonstration, according to the president of AVIBRAS, engineer Joao Verdi de Carvalho Leite, "were felt immediately," which, according to one of his aides, can be indicated by the interest shown "at the decision-making level, expressed by buyers from the Middle East, Asia and Europe itself." AVIBRAS set up a technical exhibit in the main pavilion of Le Bourget showing its line of air-to-surface and surface-to-surface rockets in addition to a number of chemical, electronic and telecommunications products.

The main attraction, the Astro II, was not present, except in the form of a battle-field mock-up where it was shown in its ideal use: a central fire-control station commanding four launching vehicles supported by two reloading devices. The system operates with three different sized rockets: the SS-30 (127-mm caliber, with 20 kg of high explosive and a range of 32 kilometers); SS-40 (180-mm caliber, 40 kg of explosives and a range of 40 km); and the SS-60 (300-mm caliber, 150 kg in

multiple warheads and a range of 70 km), which can be fired simultaneously against one or several targets. A combined hit by the typical configuration represents 1,800 kg of impact on the objective--enough, for example, to destroy a large refinery. The organization has already sold \$600 million of the Astro to Arab clients and is expecting new contracts to be signed within the next 2 months. At that time, asserts Verdi, "Factory No 2 will be operating, at the Santa Branca dam, one of the largest in the world in its specialty, creating about 2,200 new jobs." The impressive presence of the Brazilian multicaliber/multiple launcher produced reactions in recent months among the competition who are marketing a more limited product line, with only one size and restricted range. France decided to remove its Rafael from the catalogue and the German Lars will be revived to fire vectors of at least two different calibers. The American MRLS produced by Vought is starting to be delivered this month. The [U.S.?] Army bought 40 complete batteries, which will be commissioned in Fort Riley, Texas, by the 1st Mechanized Infantry Division. The plan is to test 600 rockets, after which 3,000 more will be ordered. Vought, however, made an official announcement in Paris last week that it intends to incorporate in the second generation the option of a larger missile, probably of 600 mm, with primary guidance coupled to a digital direction coordinator--exactly the way in which the Brazilian weapon already operates.

Tucano a Success

Two hundred meters away, in the EMBRAER chalet, the volume of business closed or "well on its way" surpassed expectations. In the first few days of the show, a \$12 million sale was made to American Central Airlines of Dubuque, Iowa. This purchase involves five aircraft: three P-2 Bandeirantes and two 30-seat Brasiliass, EMBRAER's next aircraft, whose maiden flight is to be on 29 July in Sao Jose dos Campos. A few hours later Dash Air, of California, placed an order for six aircraft worth \$15 million: four Bandeirantes and two Brasiliass, raising the number of orders for this new pressurized turboprop to 107 units.

EMBRAER's biggest star in Paris, however, was the small and highly maneuverable Tucano, a military turboprop for advanced training, which has greatly expanded the scope of its performance to the point where it is now also being presented as suitable for ground attack and anti-guerrilla jungle action. The Tucano flew every day and its maneuvers always caught the public's attention. This paid off: on the last day of the show, talks were begun for selling 250 aircraft to an Arab country at an estimated price of \$270 million--besides the usual purchases of components and maintenance kits.

"Every time I think about how much we are going to spend at these aerospace fairs, I question the validity of the enterprise. But so far, since the first time we came to Le Bourget, the return has always been amply rewarding. As you saw just now," mused EMBRAER superintendent Oziures Silva on the occasion.

8834

CSO: 3342/137

CACEX REVEALS CONTINUING TRADE DEFICITS WITH MIDDLE EAST

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jun 83 p 32

[Text] Rio de Janeiro--Brazil's trade with Middle East countries continues to produce huge deficits, such as that in the January-through-April period amounting to \$1.4 billion, as a result of large expenditures for imported oil not offset by exports of Brazilian commodities and manufactured goods.

According to statistics reported yesterday by CACEX [Foreign Trade Department] covering the trade balance for the first 4 months of this year, Brazilian exports to the Middle East were only \$420.2 million, whereas imports, essentially petroleum, cost \$1.82 billion.

The Middle East represents one of the 15 economic blocs with which Brazil has foreign trade. Besides the Middle East, two other blocs--ALADI (Latin American Integration Association) and one called "Other Western Hemisphere"--also caused trade deficits for Brazil. Altogether, the three blocs were responsible for a \$1.5 billion deficit.

Nor were Brazilian sales to countries of the Latin American Integration Association (ALADI), 10 in number, satisfactory, in view of the deficit of \$75.9 million recorded in the first 4 months of this year, with exports of \$637.7 million and imports of \$713.7 million. The nation's third and smallest trade deficit for January through April of this year, amounting to \$28.3 million, was with the economic bloc classified by CACEX as "other Western Hemisphere," consisting of 13 regions with which Brazil trades such as the Netherlands Antilles, the Bahamas and the Panama Canal Zone. Brazil's exports to this economic bloc totaled \$7 million and imports cost \$35.4 million.

The economic bloc with which Brazil had the largest surplus from January through April 1983 was the United States (including Puerto Rico), amounting to \$707 million, with Brazilian exports of \$1.4 billion and imports of \$716.4 million.

Imports

In Rio yesterday CACEX Director Carlos Viacava had a long meeting with representatives of his department's 101 agencies nationwide. During the meeting, Viacava stressed the need for maintaining existing controls to reduce imports as much as possible so they do not exceed the goal of \$17 billion for this year. In some CACEX sectors the possibility is already being voiced that Brazil's foreign purchases will come in a little under that goal, by about \$500 million.

ARMS TRADE, RELATIONS WITH LATIN AMERICAN NEIGHBORS DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Jun 83 p 7

[Text] "I spend most of my life in an airplane," Jose Luis Whitaker, president of ENGESA [Specialized Engineers, Inc] and IMBEL [Ordnance Industry], declared recently in an informal conversation with newsmen. Some hours after he spoke these words, Whitaker began another of his frequent "traveling salesman" trips, visiting several Latin American countries to close sales of light and heavy weapons (rifles and machineguns manufactured by IMBEL and ENGESA's Urutu and Cascavel tanks). In less than 24 hours, with the same speed and objectivity with which he closes many export contracts, Whitaker was on his way back to Brazil.

Like Whitaker, representatives of such private companies as EMBRAER [Brazilian Aeronautics Company], Avibras, Glaspac, Alpargatas, Cotonificio Santo Amaro, Vigorelli, Bernardini, Eletrometal, Miselli and other war materiel manufacturers travel abroad in search of new buyers for their products. All the items for sale are duly catalogued by the Armed Forces and by Itamaraty, and their exportation, which is regulated by the PNEEM (National Policy for Export of Material for Military Use), a classified document, constitutes one of the major sources of dollar revenues and a decisive factor for the country's trade balance.

In addition to bringing in foreign exchange, the arms industry currently generates, directly or indirectly, about 200,000 jobs. Because it employs specialized personnel, it has been able to face, with reasonable tranquillity, the economic crisis which is affecting several industrial sectors, admit sources linked to the war materiel sector.

Interchange

An important side effect of this liveliness of the war materiel industry is the opening of a broad area of understanding between the Brazilian Armed Forces and the armed forces of Brazil's client countries, primarily those in the Middle East and Latin America. The arms trade has facilitated dialogue between the military, through greater technical and professional interchange.

Military sources always explain that the Brazilian Government is not the exporter, but rather Brazilian industry, within the normal rules of trade. In other words, the weapons are exported like any other products, with no political commitments between governments. Thus the Brazilian Navy, seeking to establish its weapons industry, feels free to negotiate with Israel for the acquisition of the technology to produce the Gabriel missile, even though the Arabs are the major purchasers of Brazilian tanks. Air Force Gen Waldir de Vasconcelos, armed forces

chief of staff, defined the nation's interest in regard to the exportation of weapons, referring to the "pragmatism" of Brazilian business. "Brazil is not in a position to limit arms sales."

Except for some special cases, this policy has helped to bring Brazilian and foreign military men closer together, facilitating certain decisions, which occasionally has given rise to the idea that there is a "military diplomacy," when Itamaraty has actually acted in harmony with the businessmen in seeking opportunities for weapons sales. A recent example was Gen Danilo Venturini's visit to Suriname. Among Venturini's credentials for a mission of this kind is his full knowledge of Brazil's war materiel policy. As secretary general of the National Security Council, it is his responsibility to supervise the application of the PNEMEM. Also knowledgeable about the weapons industry are generals Samuel Alves Correa and Alacyr Frederico Werner, former chiefs of general staff; Werner was recently appointed to replace Correa at the Brazilian Embassy in Baghdad.

Today it is impossible to separate Brazil's position as an arms exporter from its relations with its military clients.

In political terms, pragmatism, the principle of respect for the self-determination of each country and continuing opposition to the attempts to spread communism are the basic tenets of the existing relationship between the Brazilian Armed Forces and those of the Latin American countries, with the exception of Cuba, "which persists in its attempts to destabilize some countries politically," according to a military analyst.

Some sources have observed that, in the military area, Brazil's relationship with the other Latin American countries could be described as "very good," and with respect to Paraguay, the best description would be "exceptional," Costa Rica, Panama and Nicaragua (Central America) and Mexico (North America) are countries with which Brazil is developing a policy of continuing rapprochement.

Relations

Relations with Paraguay are considered "exceptional" in that this is the only country where Brazil has maintained a military mission since 1942.

There has been continuing interchange with Uruguay; officers from that country have taken courses in Brazilian military establishments.

Bolivia, Peru, Ecuador, Colombia and Venezuela also have a good military relationship with Brazil, not only in terms of professional interchange but also the purchase of Brazilian weapons. The same thing is true of Chile, with which cooperation has traditionally been marked by the high level of exchange of technology and information. On the northern border, Brazil is only now working to maintain closer contact with Suriname, but the cooperation is already reflected in the exchange of visits and the supply of campaign materials by the Brazilian Army for use by Suriname troops. Greater cooperation is expected after Brazil appoints a military attache to that country. British Guyana also purchases some campaign materials and light weapons on the Brazilian market, but its military relationship with Brazil is still discreet.

With respect to Argentina, military sources said that since the accord was signed regarding construction of Itaipu, "there is no problem that cannot be overcome through bilateral understandings." The military of the two countries are maintaining an increasing interchange, also strengthened by Brazil's position regarding the Falklands conflict, when Brazil even supplied Bandeirante planes to the Argentine Air Force. The Argentines purchase various kinds of war materiel produced by Brazil.

6362

CSO: 3342/131

BRIEFS

CONVERGENCE PROTESTS ATTACKS--Leaders of the Socialist Youth Foundation, the political group which succeeded the Socialist Convergence (laid to rest 2 months ago at a national congress), yesterday delivered a manifesto to party leaders in Congress requesting support for the movement's publication against the threatened invasion of its offices. Directors Jose Maria de Almeida and Valerio Arcacy announced that they will seek a meeting with Justice Minister Ibrahim Abi-Ackel to demand that the threats against their journal be stopped, that the National Security Law not be applied to their colleagues in Belem and that the attack on the movement's headquarters in Ocasco be investigated. According to the manifesto, as a result of the reports presented by the Federal Police to the Justice Ministry, in the past 10 days there has been a series of threat of repression against the group's newspaper and the members who publish it. "We are aware," the note says, "that the current attacks against us are part of a more general offensive against freedom of the press, an offensive that has already affected the newspapers VOZ DA UNIDADE, TRIBUNA DE LUTA OPERARIA and HORA DO POVO." [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Jun 83 p 9] 6362

CNBB TALKS WITH PCB--"The CNBB [National Conference of Brazilian Bishops] is open to anyone who asks its leaders for an audience, because this house is open to the people," CNBB spokesman Father Jose Dias said yesterday in Brasilia, commenting on the intent of Giocondo Dias, secretary general of the Communist Party [PCB], to speak with the bishops as part of the campaign for the legalization of the party, which will be intensified in the next few days. CNBB leaders Dom Ivo Luscheiter, president of the body, Dom Benedito Ulhoa, vice president, and Dom Luciano Mendes de Almeida, secretary general, have already voiced their opposition to legalization of the party, declaring that the church condemns "anti-democratic" parties. Dom Ivo said he was surprised by the communist leader's recent statement that he hoped to count on the support of the church in the campaign to legalize the PCB, but that he had not yet received "any kind of sounding out" in this regard. Dom Ivo argues that, in a democracy, "the parties which are truly democratic" should be organized. For his part, Planalto Palace spokesman Carlos Atila declared that the program of the Brazilian Communist Party is incompatible with the constitution and the democratic regime. According to Atila, the advocacy of party pluralism expressed in the party statutes is inconsistent with the tradition of communist parties. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jun 83 p 2] 6362

ARMS TRAFFICKER INDICTED--Judge Fernando Augusto Ribeiro, of the First Federal Jurisdiction of Petropolis, in Rio de Janeiro, yesterday indicted Navy Commander Joao Pedro Brasil Barbosa and gunners Josemar Bezerra de Mendonca and Ludovico

Guedes Menezes in the death of Spaniard Rafael Salvador Fidel Rosada. According to Josemar, the four men were involved in an international arms traffic network and had taken part in actions against the guerrillas in Uruguay and in the murder of an engineer and his wife in Buenos Aires. The gunman claimed that he also worked for a company in Europe. The officer, who is retired, is being held in a Navy unit in Rio, and the gunmen are in a unit of the Security Secretariat, also in the capital. The Spaniard was murdered on 7 January 1983, after he cheated the Navy officer in an arms smuggling deal. Josemar was the only one to admit to taking part in the crimes. He said the commander was linked to a ring of arms traffickers and was also involved in the death of Argentine engineer Mauricio Schoklender, aged 54, who was murdered, along with his wife Cristina, on 30 May 1982 in Belgrano District in Buenos Aires. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jun 83 p 9] 6362

UNPREPAREDNESS FOR WAR EMERGENCY--Belem--Navy Minister Adm Maximiano da Fonseca admitted in Belem yesterday that Brazil is still unprepared to cope with emergency situations such as a war of the type that was waged between Britain and Argentina for possession of the Falkland Islands. Unpreparedness results, according to the navy minister, from lack of funds: "Our naval program calls for spending \$800 million in the next 10 years. Argentina is already investing \$2 billion." But the minister guarantees that within these financial limitations "what we can do is being done." Declining to comment further about the lessons the navy is assimilating from the South Atlantic war, he acknowledged that integration of all three armed forces and of the marines with the merchant marine "is essential and already exists in Brazil, and only needs to be intensified." Maximiano mentioned further that a large part of the navy's reequipment is being done within our borders, citing construction in domestic shipyards of river-patrol boats and hospital ships. He confirmed the intention of installing a new naval command in Manaus to have jurisdiction over the western Amazon region, dismembering it from the Fourth Naval District. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Jun 83 p 5] 8834

CSO: 3342/137

EXILES IN SWEDEN LINKED WITH TERRORIST GROUPS

Santiago QUE PASA in Spanish 19 May 83 p 49

[Text] The cable, from Stockholm, went almost unnoticed. Six masked persons failed in an alleged attempt to kidnap an official of the Chilean consulate in the Swedish capital. Before leaving without having achieved their objective, they searched through a card file, broke a window and painted slogans on the walls.

Our Foreign Ministry's version followed soon after. The masked persons were allegedly Chilean exiles who intended to take over the consulate in order to create pressure to resolve their respective situations. Reports of the supposed kidnapping were denied and it was said that further information on the matter had been requested.

The event should not cause too much surprise if background information obtained on a strictly confidential basis is taken into consideration. This information points to the existence of an army of saboteurs made up of Latin Americans in Sweden, officially tolerated, and equipped by the USSR. It has been possible to carry out investigations thanks to conversations with intelligence sources, analysts, police and a deserter from the Chilean Communist Party, no less!

The group is known as "sabotage-armen" in Sweden. According to information published in a Malmo newspaper, Sweden has discovered that weapons and explosives arrive from the USSR to Scandinavian countries through Poland and Czechoslovakia. But this topic has not been mentioned only in Sweden. Articles have also appeared in Amsterdam's DE TELEGRAAF and Paris' LE MATIN.

There are many deserters from this organization. Its members have already murdered about 22 of them. How? By throwing them onto the train tracks or by drowning them in their own bathtubs. The Chilean deserter is known to have escaped two attempts on his life...although with a broken arm. There are about 25,000 Latin American refugees (many of them trained in Cuba). They have been welcomed by Olof Palme and his administration, which is only now beginning to perceive the dangers this parallel army can present. The administration has even provided them with economic assistance, but the Latin Americans have ways of obtaining more money through unofficial channels; they simply take up trafficking in drugs or robbing banks. All of this is done in collusion with Armenian guerrillas and other Marxist terrorists.

One "Manuel"

According to information we have gathered, the Chilean Communist Party deserter is allegedly one "Manuel" (his name is allegedly Carlos Medina Rebolledo), who became disillusioned with his comrades when he realized they were more interested in serving Moscow than Santiago. That is, they followed instructions aimed at achieving Soviet world domination. He was impassioned only by a Socialist Chile. Today he fears for his and his family's lives (since some murderer could add his name to the already long list of "possible suicides" resulting from similar cases).

According to Swedish investigators with information from Santiago and their own country, the Chilean communists who belong to this terrorist organization allegedly include Jose Alvarez Gonzalez, Gerardo Amaya Mercado, Rene Espejo Plaza, Bernardino Diaz Alvarado, Americo Flores Barraza, Lucia Gaete Avaria, Hernan Isakson Eiler, Violeta Inzunza Bascunan, Alvaro Munoz Munoz, Ninoska Rojas, Anton Jelic and an unintelligible name that may be that of one or two women: Luz Muller Guzman Juana (?).

These supposed guerrillas publish a weekly called LIBERACION, which is printed in Spanish in Malmo (in southern Sweden). Each edition has 20,000 copies and according to reports, 10 percent of the cost is financed by the Swedish Immigration Department.

Without doubt, all of this fits in with the line characteristically taken by Olof Palme. His government has collaborated with Vietnamese communist troops, with other liberation movements and also with Cuba. It should not be forgotten that the Swede Palme maintains an ideological friendship (if that's what it can be called) with Cuba's Fidel Castro. In addition, he has chosen as foreign relations advisors people who can simultaneously act as liaisons with the Socialist International and the Communist Party of the Soviet Union.

12351

CSO: 3348/455

DOMESTIC POLICY HARMS FOREIGN POLICY, IMAGE

Santiago QUE PASA in Spanish 19 May 83 pp 25-27

[Article by Lillian Calm]

[Text] It's a difficult situation. Chile seems to be in an increasingly isolated position in the international community. For months, even years, our foreign policy has been deteriorating further and further (although it is still looked upon benevolently by some). This has occurred despite the foreign ministry's efforts to maintain the position of importance Chile had reached in the past. Despite the foreign ministry's efforts? Yes, because analyzing the matter calmly--and it is our duty to say this--we can conclude that that loss of prestige, that erosion, that isolation, are not due to our foreign policy image, but rather... simply to the reflection of domestic policy.

It is true that after September 11, 1973, by guiding its satellites from inside the Soviet Union, the campaign of international Marxism managed to exalt Allende (and even to invent his assassination!). Furthermore, it managed to discredit Chile under the new regime. But later, Chile's roaring economic success was able to overcome prejudice and ideological barriers in many countries. Foreign countries, and among them the Europeans, acted pragmatically and soon found a promising place to invest, buy and sell. But the bonanza ended. Foreigners looking at Chile began to lose confidence (how could a German or a Saxon understand when one thing was announced and another decreed?). So they quickly found other means to accululate capital. Some say that the planned political opening according to a predetermined timetable has not taken place either, and that if matters continue this way, we will end up being truly isolated.

Therefore, one should stop and reflect while there is time. For example, is it foreign policy or domestic policy not to accelerage the timetable for the return of people in exile? A European politician, who looked positively upon the development of events in Chile, confided to us a short time ago that now he felt deceived. "But, Why?" we asked him. His answer was brief: "Simply because I did not expect the lists of those who could return to contain only unknown names and because at this rate, this highly publicized concession will never achieve its final objective. How long will it take?" he replied.

Perhaps a clearer demonstration of this is the case of Zaldivar, whose status as an exiled person has placed him on a real political pedestal. Foreign diplomats understand--or so they tell us--that people who commit crimes against national security may be exiled. People who plant bombs...who belong to MIR [Movement of the Revolutionary Left]. But they do not see Andres Zaldivar, a man of law, planting bombs in the middle of the Paseo Ahumada. And his exile, punishment for continuing to disagree with the president of the worldwide Christian Democracy, has boomeranged, damaging Chile (and its image abroad) more than Zaldivar himself.

We are not guessing at intentions. We have not singled out the Zaldivar case in this chronicle either to defend it or attack it. Instead, it simply provides a crystal clear example of how domestic policy is damaging Chile's foreign policy. In fact, after almost ten years we should also look at ourselves, and not continue to blame everything on "international Marxism." That can even be counterproductive. We have a profound understanding of the chaos and violence occasioned by Marxism, before and after September 11. We are also very much aware of the important decision made by the Armed Forces of Order when they freed us from it. But at the same time we recognize that there are other clearly domestic problems that are eroding Chile's image.

Furthermore, for the younger generation, which did not live through those regrettable thousand days, the repetitive pedagogy on Marxism does not seem to be having the expected effect. It is one thing for them to receive correct, well-directed information on the topic, but quite another for them to hear repeatedly that this blemish is the cause of all ills. We should also realize that September 11 is pure history for these young people. Perhaps it is something like the Battle of Rancagua is for us?

Diplomacy and National Security

Extreme measures are often taken in the name of national security. Nonetheless, it is a real fallacy to think that national security and sovereignty are terms that are opposed to diplomacy, the art of negotiation. There are already many countries that have successfully understood that these terms are not contradictory, but rather complementary, and these countries have chosen the path of pragmatism.

In any case, extreme positions are not advantageous, especially in the twentieth century in a pragmatic world in which countries try to maintain relations with each other. Recently Foreign Minister Miguel Schweitzer stated in a speech presented to the press in the Diego Portales building: "Today, flexibility in international relations has become a reality and, I would add, a necessity."

It is a fact that Chile could not, hypothetically speaking, act temperamentally (although some people might like to) in the United Nations, the Organization of American States or the International Monetary Fund, to give three examples. To do so would be to follow extremist policies rather than balanced ones, as the diplomatic experience of the countries that perform best in international circles suggest we should.

American certification of Chile could be another example. Clearly, Chile is not going to request certification, since without doubt, it seems absurd to hide behind a good conduct certificate like high school students in order to obtain aid from the most powerful country. However, it is also true that various American notables--Shultz, Enders, Walters and many times, Ambassador Theberge--have implied that certification would be granted in response to some gestures of good will by the Chilean government.

Some time ago an American explained to us: "We have sincerely tried to keep certification from being used as a weapon against the government and the country. We have not pressured the government with conditions or demands. (This was Carter's policy.) We have tried to explain the political realities that both governments must face. Although the Americans have the task and authority to grant certification, it is also true that the political cost to the Reagan administration will be higher or lower, depending on what is done in Chile. If both governments want to change this situation in order to re-establish bilateral cooperation, they must act in a coordinated fashion." Furthermore, it is known in the United States that every favorable gesture Reagan makes toward Chile is made at considerable political cost.

In fact, Reagan can grant certification. It does not require any other approval. Nonetheless, he faces a problem if certain indications of an opening in Chile are not provided; the opposition has already made clear its intention to pass new measures to replace current bans. The American Congress has the last word on this point.

Comment for Reflection

In any case, great progress has been made since the Carter administration. Over the last 2 years Chile has had an opportunity to discuss this matter more frankly with the United States. A few days ago a Chilean analyst made a comment that is a starting point for considerable reflection. He said, "Chile has played with the Reagan administration."

We could refer to many other points that have shown, one by one, that the problem lies more in domestic, rather than foreign, decisions. We cannot examine all of them, but without doubt one of the most important--and we have been emphasizing this in these pages--is that suitable people must represent the country abroad. It cannot be said that this has always been the case. For this reason, during the press conference held by Foreign Minister Miguel Schweitzer in the Diego Portales building, QUE PASA asked him the following: "What influence does the Foreign Ministry have in the appointment of ambassadors? What criteria will be applied for such appointments in the future? Will future appointees be professionals who, although not career officers in the Foreign Ministry, are foreign policy experts and are familiar with running an embassy, or people who have demonstrated suitability in other fields?"

After explaining that the Foreign Ministry could participate in determining the appropriateness of an appointment, the minister said that the designation was the responsibility of the president of the republic, according to

constitutional mandate. He replied, "With respect to the question regarding professionals or people who may have demonstrated their suitability in other fields, I believe that in the case of those who represent our country abroad, any framework or limits imposed beforehand would constitute very erroneous policy. I believe it is necessary in each case to analyze the pros and cons of a particular situation, and never set parameters or limits beforehand. I do not think this matter is settled yet. Perhaps I am digressing a little here--but I have been able to acquire experience--about whether representatives abroad should be professional diplomats or, on the contrary, whether they should specifically not be professional diplomats. One could point out numerous examples of very important foreign ministries that follow one policy, foreign ministries that follow the other and foreign ministries that steer a path in-between. At any rate, I prefer that the Foreign Ministry today play a role complementary to the function of His Excellency, the president of the republic; that is, the role of evaluating and judging the results. I do not think this question should be answered beforehand, but rather examined ex post facto."

Actually, there are already many cases that can be evaluated. Some--even in key embassies--are far from acceptable (according to reports). Aren't these cases of individuals who, although outstanding in their fields, have not satisfactorily represented the country abroad? We will gain nothing by avoiding the subject. We do have confidence in the president's good judgment in setting foreign policy (which he has demonstrated, to cite just one example, through the position taken by the team assigned to the papal mediation). We also have confidence in the ability of the foreign minister, who has demonstrated his good judgment throughout his long career, to carry out that policy. Furthermore, it must always be kept in mind that if it is not coordinated with domestic policy, no foreign policy will be able to cast a truly positive light on Chile's image beyond our borders.

12351

CSO: 3348/455

SUGGESTION REGARDING ARMING OF POLITICAL PARTIES CRITICIZED

San Jose LA NACION in Spanish 3 Jun 83 p 15A

[Commentary by Enrique Benavides]

[Text] Juan Jose Echeverria Brealey is an intelligent man, almost gifted. That is why the suggestion he just made to the government to the effect of arming the parties deserves careful examination. The former security minister's idea, specifically, is to put together a force to guard the northern border, with each political party contributing 500 men. An obviously patriotic proposal, undoubtedly, but at the same time ingenious, like everything about don Johnny.

Almost involuntarily we hark back to the long-ago era of the Spanish civil war of 1936. Anyone who has studied it will not forget that each party was independently armed: the anarchists, the socialists of the charlatan Largo Caballero, nicknamed the Lenin of Spain, had their own armed forces; such dispersion and fragmentation played their parts in the final disaster.

Arming the parties means neither more nor less than dissolving the state. Of course, the former minister includes in his astute proposal the condition that such a multiparty military body remain under the command of a "staff under government control." But it would not take a great deal of ingenuity to see or predict that the parties of the extreme Left, already officially armed, will be in control of the whole situation.

The government did the right thing in rejecting this noble offer by one of the Costa Rican politicians who have a better memory, from a distance, of our legendary don Jorge Volio, with a sense of proportion and the confessional circumstances maintained. There is nothing more sensitive than the present border with Nicaragua—always so unsettled. We have had frightful neighbors of every stripe, but now we have some who are truly and undeniably so. No longer involved is one or another dictatorship of Caribbean flavor. All that is behind us. The Trujillos, the Gomez', the Somozas, the Carias and other gangs who have figured in Latin American political history in the past.

Now they are different "two-bit guys," as our people say. Apparently it should be of greater interest to don Johnny that the border from here to there is violated than there to here. Taking into account all the political

parties legally existing in this blessed country, with 500 men each, the extreme Left, for sure, does not fare badly; and if surveillance of the border is involved, we Costa Ricans can already guess how that astute formula which the former public security minister has had the good humor to propose to us will turn out. As can be seen, Mr. Juan Jose Echeverria Brealy is still pro-Carazo.

To politicize in such a way the most elementary and basic functions of the Costa Rican state would be almost like declaring ourselves politically bankrupt in every sense. Nothing more pleasing to the Sandinists than to sell the naive Costa Ricans on a stratagem which would allow them to go on violating our border and, at the same time, jeopardize fighters for Nicaraguan freedom and democracy.

Thank heaven the government turned its back on the proposal of a politician who seems to be hung up on and waiting for a chance to embroil Costa Ricans in an adventure serving his own pseudorevolutionary commitments.

The truth is that the Costa Rican state either defends itself on its own or falls apart. If our sovereignty is threatened by the Soviet penetration which Mr. Echeverria describes along with others of his cohorts, let the people defend it as they did in 1856, and not with political parties which would sell us out.

We do not know, despite the good opinion we have of don Juan Jose Echeverria, if this unusual suggestion is completely his own; and we say this because it has the full imprint of classical Stalinism of which, we have no doubt, the former minister is free to the bottom of his innards. Be that as it may, his first formal sortie into the political arena fills us with dread that his nonexistent party is going to give us more headaches than we suspect.

May don Juan Jose forget about his militiamen in whose ranks the communists would be on the threshold of a takeover. If this enigmatic politician with the short career had limited his original call-to-arms to the democratic parties, the thing might have been less surprising, but in the unrestricted way in which he did it, it must be said along with the people, "Better that you not defend me, friend."

9436

CSO: 3248/905

NICARAGUAN REFUGEES TO BE RELOCATED TO SOUTH

San Jose LA NACION in Spanish 22 May Supplement

[Article by Hubert Solano]

[Text] With the intention of keeping them as far removed as possible from the northern border, henceforth Nicaraguan refugees will be placed on the Jalaca estate, located between Palmar Sur and Piedras Blancas in the southern part of Costa Rica.

Before this month ends, officials responsible for their care hope to move to that location 400 Nicaraguans who are housed in part in camps owned by the Costa Rican Electricity Institute in Tilaran, Guanacaste.

After leaving behind relatives and property, and harassed by the fighting between the Sandinista government and the rebels of Major Eden Pastora and Fernando "El Negro" Camorro, the Nicaraguans have been fleeing to the south to move into Costa Rican territory.

Here the situation is in the charge of the National Commission for Refugees (CONAPARE) which has set up border posts primarily in Barra del Colorado, Boca del Sarapiquí, Boca del San Carlos, Los Chiles, Upala and Penas Blancas.

At those posts, with the cooperation of Immigration and Public Force officials, registration and issuance of temporary identification are underway.

In recent weeks it has become necessary to set up transit centers in Cutris de San Carlos and in Blanco de Limon; the refugees were moved there from the posts mentioned above.

So as to provide them with better care, subsequently they were sent to the ICE camps in Tilaran from which they are not getting ready to continue the move to the south, to the Jalaca estate.

On that estate, some 300 hectares in size, at least 100 will be turned over to the refugees so that they might start right in on a program of agricultural development.

Thus it is claimed that the refugees henceforth will stop being a drain on the various institutions and become an instrument of production, both to take care of their own requirements and contribute to the national marketplace.

The executive director of CONAPARA, Hilda Porras, said that within 2 weeks the refugees themselves will begin to build the camps in Jalaca, for which they will use special designs of barracks-type housing put together by the National Institute of Apprenticeship (INA).

The state used to belong to the Institute of Agrarian Development but is now under the Ministry of Justice since the construction of a new penal center is scheduled on the remaining 200 hectares where prisoners now on San Lucas Island, Puntarenas, will be moved.

The lands became available through the minister of justice, Carlos Jose Gutierrez, who is also chairman of CONAPARE.

Jalaca has sufficient space also to house a virtual flood of Nicaraguans which is expected to arrive in this country if the situation in our neighboring country grows worse.

Latest Statistics

In line with recent statistics, provided by Ingemar Cederberg, in charge here of United Nations High Commissioner for Refugees (ACNUR) programs, in Costa Rica there are approximately 16,000 refugees.

Of that total, the majority are Salvadorans (approximately 10,000). In addition, there are about 3,000 Nicaraguans, 1,000 Cubans, 300 Guatemalans and 2,000 of other nationalities.

ACNUR assists about 10,000, among whom there are 8,000 Salvadorans, 800 Nicaraguans, 150 Guatemalans, 1,000 Cubans and others of various nationalities.

The remainder supposedly receive independent assistance or have become integrated into the work force in various jobs. There are other refugees who have their own economic resources.

Care

Elsewhere, the Ministry of the Interior and the Directorate of Immigration and Alien Affairs have set up the systems required for issuing temporary documentation and carrying out research allowing verification of conditions which justify the treatment of such individuals as refugees.

As a branch of Interior, the Rural Assistance Guard has undertaken responsibility for everything referred to its care and attention both at the border posts and at the Tilaran and Blanco transit centers.

In addition, in an effort to determine the number of foreigners now here in an irregular status, the authorities have ordered a census carried out.

In the program of care for refugees, in addition to CONAPARE, ACNUR, INA, Interior and Justice, also participating are the Costa Rican Red Cross, the Ministry of Health, Joint Institute for Social Welfare (IMAS), Ministry of Public Security, the Intergovernmental Committee for Immigration (CIM) and other national and international organizations.

The coordination of all tasks is the responsibility of the Emergency Committee of CONAPARE, made up of Yvon Gomez and Juan Ramon Espana of CIM; Ingemar Cederberg of ACNUR; Miguel Romano of Interior; Sandra Cerdas of CONAPARE; Miguel Roig of IMAS; Orlando Ramirez and Milton Chaverri of the Red Cross; Carlos Munoz of Health; Luis Ramirez and Aspacía Brenes of INA; and Manual Rodríguez of Social Readjustment. Hilda Porras of CONAPARE and Major Jose Humberto Retana of Interior have been designated as overall coordinators.

9436

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BRIEFS

NEW EVENING PAPER--Last Thursday a new daily paper began to circulate in the country. It's name is ULTIMAS NOTICIAS, edited by the newspaperman Luis Guencher Roussel. Its format is somewhat longer than that of other newspapers and is different because it shows only one photo on the first page. Inside has no photographic material. The chairman of the board of directors of the new publication is the attorney Dr Gerardo Trejos Salas. Ana Cecilia Madrigal, Eleonor Antillon and attorney Gerardo Enrique Fonseca work in the editorial office in the production of the new evening paper. Marina Ramirez serves as secretary to the editorial board. In yesterday's, Saturday's, editorial, ULTIMAS NOTICIAS wrote that "today we are beginning to pursue the implementation of an objective that is in no way easy: to breathe life and permanent existence to a daily newspaper." The price per copy is 5 colons; it comes out between 4 and 5 pm. [Text] [San Jose LA NACION in Spanish 15 May 83 p 4A] 9436

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POPE'S VISIT TO CENTRAL AMERICA ANALYZED

Havana PRISMA LATINOAMERICANO in Spanish Apr 83 pp 9-11

[Article by Mirta Balea: "Oratory of Peace"]

[Text] Pope John Paul II's tour through Central America seems to have had fruitless and counterproductive results in spite of his calls for peace and reconciliation.

In a fast trip from 2 to 9 March, the Pope visited Costa Rica, Nicaragua, Panama, El Salvador, Guatemala, Honduras and Belize. He took a brief hop to Haiti to open the 19th General Assembly of the Latin American Episcopal Conference.

The Pontiff came to a region that is an important part of the strategic plans of the United States where growing U.S. interference in the internal affairs of the Central American peoples, which encourages tensions, can be seen and where conflicts and social processes occur in which believers and nonbelievers alike are immersed and committed.

From the minute he stepped on Central American soil, he stressed the eminently pastoral nature of his trip. He talked about peace and reconciliation, making special emphasis of the broadest diffusion of the Gospel and the need for Christian unity with the intention of reinforcing the role of the bishops.

During his stay in Costa Rica, the first stage of his trip, the Pope told the youth that his mission of "peace, harmony and hope" would help him get closer to the pain of the Central American peoples and would permit him to leave them a "word of encouragement and hope based on a necessary change in attitude."

Before the beginning of his trip through Central America, church sectors had indicated that the proposed goal of rapprochement with the peoples would be difficult due to the brevity of his stay in each country and because, in the particular case of El Salvador and Guatemala, he would be very closely attended by the representatives of those regimes and guarded by their repressive forces.

They added that the speeches he would give, estimated at more than 70, would be written beforehand. The Latin American progressive clergy were suspicious about the affiliation of those in charge of that task.

In his meeting with the Central American bishops in San Jose, he stressed the need for greater unity in the regional church. This assumes an important role in the "strict" application "of the norms of social justice."

He also spoke about the necessary change in attitude and felt that this was only possible if "the voice of Christ that urges us to respect and love each man as our brother" is heeded.

The Central American church has recently suffered serious divisions within it concerning the way to interpret the Gospel. A majority sector feels that its observance implies a commitment to the peoples struggling for their independence and to the poor of the earth. The rest feel that their mission is purely one of consolation and resignation with a promising afterlife.

The arrival of the Catholic dignitary to the Costa Rican capital coincided with new accusations of human rights violations in El Salvador and Guatemala.

The Committee to Defend Human Rights in Central America stressed that thousands of Indians were massacred by the army and thousands of people have disappeared at the hands of paramilitary bands and special courts. That scene of terror is completed with executions and arbitrary death sentences.

In El Salvador they indicated that thousands of citizens are victims of air force bombings in rural zones. More than 2,000 people have been arrested and then disappeared and 700 have been imprisoned by military courts without standing trial.

Convergence of Christians, Marxists

The second stage of the papal trip was Nicaragua. Its government received the Pontiff with a virtual state of war on its border with Honduras where former Somozist guards harass and murder the people and under the threat of U.S. military intervention in that country and El Salvador.

The coordinator of the Junta of the Government of National Reconstruction, Daniel Ortega, gave a welcoming speech in which he described the current situation of the country.

The program for the visit included a Mass at Plaza 19 de Julio and a sermon to the laics in the northwestern city of Leon.

Barely 24 hours before his arrival, the Nicaraguan people had kept vigil in that same plaza over the bodies of 16 youths murdered by the counterrevolutionary forces on the border with Honduras. During the homily, their mothers asked for a prayer for their dead and the rest of the participants joined in a clamor for peace.

In his farewell, Daniel Ortega explained to His Holiness that Nicaragua urgently needed peace to continue its work of national reconstruction.

The Pontiff seemed uncomfortable about the interruptions of the Mass. The people were asking him to pray for the dead youths and clearly mention the

cause of the climate of tension in the country which Ortega had denounced in his welcoming speech when he spoke of the threats of U.S. intervention.

The Pope spoke to the peasants (60 percent of the Central American population) about their secular problems of social injustice and discrimination during his visit to Panama, the third stage of the journey.

Before the arrival of the Pope, Julio Bermudez, the president of the Coordinating Board of Rural Workers in Latin America and the Caribbean, had praised Nicaragua as a clear example of the convergence of objectives between Christians and Marxists in the struggle to reach a common good. He noted: "It is a fallacy to say that Marxists cannot work with Christians to benefit the peoples."

A communique of the Holy See was published during the Pontiff's stay in Panama City. The document reiterated the purely pastoral nature of the trip in response to a request from the Nicaraguan Government that the Holy Father intercede to prevent a U.S. invasion of El Salvador and that country.

According to the Vatican, Daniel Ortega informed the Pope of the unsuccessful dialogue that the Nicaraguan Government has tried to initiate with the United States, a country that is trying to strangle Nicaraguan politically and economically, offers military aid to counterrevolutionary bands in Honduras and supports the regimes of Guatemala and El Salvador as forces of harassment in the area.

In two open letters to the Bishop of Rome, local ecclesiastical communities and Panamanian peasants revealed the exploitation of the peasantry in that nation by the landowners and repeated their accusations about U.S. interference in the internal affairs of the Central American peoples. They pointed out what they called the unacceptable presence of U.S. military bases in that territory.

Agreement with Magana

The hierarchy of the Catholic Church arrived in El Salvador 24 hours later. He was welcomed by the head of the regime, Alvaro Magana, who announced elections planned for this year. The Pontiff agreed with the Salvadoran and U.S. governments by considering that announcement a way to achieve a climate of true democracy in the country.

The dialogue proposed by the popular sectors, represented by the Revolutionary Democratic Front and the Farabundo Marti National Liberation Front, established recognition of the representativeness of those forces before elections were convoked.

The U.S. State Department hailed the Pope's position and said that there are no contradictions between his position and the one sustained by Washington which supports the Salvadoran regime.

About 48 hours before the papal visit, the guerrilla forces had accepted a cease-fire proposed by the archbishop of San Salvador, Arturo Rivera y Damas,

as a sign of respect for the dignitary but this was rejected by the military forces of the regime.

Guatemala followed El Salvador in the Pope's Central American tour. Only 72 hours before his arrival, the regime had ordered the execution of six people sentenced to death by the special courts, an institution that violates the legal norms that should guarantee civil rights.

This caused much speculation about cancellation of the visit. Despite the rumors, the Pontiff limited himself to lamenting the event and repeated that he would go to Guatemala on the planned date.

The announcement of the execution of the youths had such an impact on public opinion that Latin American priests called it provocation facing the papal visit, especially since the head of the regime, Efraim Rios Montt, said he governs the country in the name of God.

The accusations provoked the apostolic delegate in Guatemala, Monsignor Oriano Quillici, to tell the press in writing that the head of the Catholic Church had interceded with the regime to prevent the executions but the document was not published because of threats by the Guatemalan authorities to close the magazines and newspapers.

In his personal meeting with Rios Montt, he met the family of the president as an apostolic gesture. The church spokesmen pointed out that he had repeated "his uneasiness" because of that action.

His subsequent visits to Honduras and Belize were insignificant and the conclusion of his trip in Haiti served only to close the 19th General Assembly of the Latin American Episcopal Conference. President Jean-Claude Duvalier said that he yielded his right to name the bishops in the country and transferred this right to the church.

The lack of clear statements on specific problems in each country visited by the Pope was stressed by sectors of the Catholic Church in Central America.

Salvadoran priests said that the top ecclesiastical hierarchy tries to divorce the church from the problems of the peoples. They said that the religious who work for the poor and are committed cannot be ignored.

The bishop of Cuernavaca, Sergio Mendez Arceo, was one of those who pointed out that the Pontiff's lack of objectivity in his refusal to denounce the United States as main promoter of tensions in Central America through its support to the counterrevolutionary forces that try to destabilize Nicaragua and its support to the regimes of El Salvador and Guatemala has only helped polarize the confrontation between the two sectors of the church in the region. Washington profits by this.

Mendez Arceo recalled the open letter to the Pope from more than 100 Mexican theologians. They warned him of the historic error he would commit in that trip if his word did not establish a real commitment to the cause of liberation of the peoples and a recognition of the alignment of the Sandinist revolution at the side of the poor.

NEW GHANAIAN AMBASSADOR DISCUSSES BILATERAL RELATIONS

Havana PRISMA LATINOAMERICANO in Spanish Apr 83 pp 23-24

[Article by Victor M. Carriba: "New Ambassador"]

[Text] After more than 15 years without a permanent diplomatic mission in Cuba, the Ghanaian Government sent Kojo Amoo-Gottfried as ambassador to Havana.

The improvement in relations between the two countries in the last year after the current chairman, Air Force Lt Jerry Rawlings, took power again led the new administration to send a permanent representative to the Cuban capital.

He is very well known for his activities in different African and international student organizations. It falls to him now to open "one of the few embassies that Ghana has opened abroad in recent months.

"Our current serious economic situation forces us to reduce the number of embassies. We are trying to reduce expenses and save large amounts of foreign currency to invest in our pressing national needs.

"However, we feel it is necessary to open a mission in Havana with a resident ambassador. This demonstrates the importance given to relations with Cuba and the need to improve ties for mutual benefit," said Amoo-Gottfried.

Although the interview concerned important bilateral and international topics and the internal Ghanaian situation, it should be pointed out first that the new ambassador from this African country has participated in singular events, according to what we learned outside the formal interview.

"In 1961, I was received in North Vietnam by the beloved leader Ho Chi Minh during a visit I made to that Asian country. It was an unforgettable meeting," he said with obvious pride.

Some 3 years later (1964) he talked in Accra with a group of Cubans. They were led by Ernesto Che Guevara, the "Heroic Warrior," who died in Bolivia in 1967 in the fight for the liberation of the Latin American peoples.

Those encounters with people of such historic and revolutionary importance who, as in the case of Ho Chi Minh, do not lose their testimonial value

despite the time elapsed confirm what we think about this new ambassador, a graduate in physics. In addition to being known for his work with students, he was in close contact with the hero of independence and first president of Ghana, a figure of international importance, Kwame Nkrumah.

"The structural changes that our country needs must consider the experiences of other revolutionary processes that defend their peoples. Cuba has learned a lot in its 25 years of revolution and we want to observe its experiences," he explained.

He added that this was why his government decided to open an embassy in Havana "to learn and avoid the mistakes we have committed before."

He also pointed out the role Cuba played as head of the Movement of Nonaligned Countries and Cuban policy toward Latin America, Central America, the Caribbean and Africa.

"Cuba's role aiding Angola during the South African invasion is very important to us."

In the diplomat's opinion, "there are many prospects for notable growth in bilateral cooperation in education, trade, culture, science, etc."

Recalling the Cuban delegations that have visited Accra, he mentioned the one led by Jorge Risquet, a member of the Politburo of the Communist Party of Cuba, and a 15-member technical delegation that talked with Ghanaian officials about different areas of cooperation and other bilateral activities.

He stated: "We will continue in that direction. In the near future, groups of Ghanaian students will begin to arrive at the Isle of Youth to be trained. They will join other youths from my country who are already in different Cuban educational centers.

"Obstacles do not daunt us in the achievement of our objectives. Cuba is important for us. Cuba has had many difficult situations and has always been successful. Cuba advances. We have to come here to learn and improve relations."

Foreign Policy

The Central American situation served as a topic to initiate dialogue about the foreign policy of the new government in Accra. He said: "It condemns the interference of U.S. imperialism in the processes developed in that region."

Amoo told PRISMA: "The Latin American countries have the right to self-determination and to develop without interference. We support that right everywhere--in Nicaragua, El Salvador and Guatemala. Cuba has resisted the attacks of U.S. imperialism for 25 years."

He stated: "Our country still maintains a position of positive neutralism in international affairs. That does not mean that we do not condemn the injustices perpetrated against other countries."

He stressed: "We unreservedly condemn the aggressive intentions and the interference by imperialism in Nicaragua, El Salvador and Guatemala and the sinister designs of racist South Africa, with U.S. support, to frustrate the resolution (of the United Nations) concerning the independence of Namibia."

The so-called linkage theory by which the South African racists and the United States want to connect Namibian independence with the withdrawal of Cuban troops from Angola "is nothing other than an absurd, filthy attempt which is totally unacceptable to our country and does not merit any consideration," argued the ambassador.

"Ghana greatly values its position as a member of the OAU and adheres to the principles and objectives of its charter which constitutes an important cornerstone of our African policy. Therefore, we strongly condemn the recent attempts to frustrate holding the Tripoli summit."

When discussing the current Ghanaian situation, he stated that the objective of the National Defense Council is to restructure the Ghanaian economy and society and emphasized the participation of the popular masses in the process, "taking their destinies in their own hands."

He also pointed out the work of the defense committees to transfer power to the people. He stated that those organizations have been created throughout the country to advance the revolutionary process "as a vehicle so that the people guarantee the triumph of the revolution."

"Power should not just lie in the hands of certain groups. It must be active in the hands of the people," Amoo-Gottfried stated with conviction.

7717

CSO: 3248/926

FOURTH CONTINGENT OF TEACHERS WORKING IN NICARAGUA

Havana PRISMA LATINOAMERICANO in Spanish Apr 83 p 26

[Article by Maria Grant: "Nicaragua, Fourth Year"]

[Text] The members of the fourth contingent of Augusto Cesar Sandino Cuban internationalist teachers are already working in Nicaragua this school year.

For the fourth consecutive year, Cuban teachers went from Havana to Managua to materialize Cuba's technical-pedagogic cooperation with that country.

The present contingent has 2,000 teachers of whom 1,184 were returning to Nicaragua to continue their work after enjoying several weeks of rest in Cuba; 816 went for the first time to that Central American nation.

With laughter, songs and mottoes referring to Cuban-Nicaraguan friendship, they demonstrated their willingness to successfully carry out their work in that country and stay the necessary time at their assigned locations in spite of the danger of armed invasion that hangs over that Central American land.

This contingent is varied. There are 781 women. There are young teachers with less than a decade of work and experienced pedagogues who have worked there for more than 3 years.

Their origin is also heterogeneous. There are many natives of the mountainous parts of the country which is very similar to the topography of some Nicaraguan regions. Others come from the capital.

There is already a history, although short, of Cuban pedagogic cooperation with Nicaragua. The first Cuban teachers arrived in the Central American nation in November 1979, barely 4 months after the popular victory there. Cuba was the first country to respond positively to the request for educational aid.

At the beginning, 1,200 teachers went to that country; there were 2,000 workers in the 1980-81 and 1981-82 school years

The work of the Cuban educators is greatly valued by the Nicaraguan authorities who view their work as a way to guarantee education and erase the high percentage of illiteracy inherited from the Somozist epoch.

During the Literacy Crusade developed in Nicaragua in 1980, Cuban teachers taught 27,569 people to read and write.

They not only do their work in the most remote and isolated parts of the country but also under the harshest conditions that can be imagined. During school vacations, they participate in different agricultural tasks.

From December 1981 to January 1982, there were productive days that yielded a value of 1.6 million cordovas (about \$160,000), money they donated for the construction of schools in the Miskito settlements established by the Sandinist authorities in Zelaya Department.

In 1982, Cuban teachers represented 10 percent of all active teachers in Nicaragua and were responsible for 13.7 percent of the national primary enrollment in 92 municipalities.

Along with educating, the teachers did other tasks including encouraging and establishing thousands of school gardens, shops and educational exhibits in addition to working on building more than 400 new schools and repairing and expanding more than 1,000.

This new school year has special importance to the Cuban teachers who went to Nicaragua this year because it is the year of the 30th anniversary of the attack on Moncada barracks, considered the beginning of the second stage of struggle for complete national independence. This date is awaited by all the Cuban people with celebrations and the achievement of important production and service objectives.

The Cuban teachers aspire to continue increasing the levels of promotion and attendance in the classrooms. Attendance has been affected because the children in the rural zones join their parents in agricultural tasks during the harvests of cotton, coffee, cane and citrus.

The Nicaraguan authorities have already taken important measures to help create the appropriate conditions to increase the rates of school promotion and attendance. The Ministry of Education adapted the length of the school year in 1982 to the characteristics of the agricultural cycle.

The willingness of the Cuban teachers to go to the most remote and isolated places in Nicaragua under the harshest material conditions unquestionably reaffirms that these are a new type of teacher.

As President Fidel Castro said, they are "special troops of education, culture, morality and dignity."

7717

CSO: 3248/926

CITRUS PRODUCTION TRANSFORMS SWAMP OF ZAPATA

Havana PRISMA LATINOAMERICANO in Spanish Apr 83 p 24

[Article by Francisco Suarez: "Beautiful Garden"]

[Text] In the swamp of Zapata, it was necessary to fight with gunpowder first and dynamite later to transform that desolate spot into a beautiful fruit garden. That is the history of that peninsula southwest of Havana Province.

A military operation planned and directed by the Washington government that filled that strip of land with death and destruction was defeated 22 years ago.

In 1967 another invasion transformed the life of its inhabitants. Thousands of students, workers and farmers occupied that region to develop a large citrus project.

There was intensive work for several years. While three-story buildings were erected for the students, the peasants and workers used dynamite to clear the land.

The agricultural development project meant that where unemployment and illiteracy reigned before the triumph of the revolution, there were now some 60 secondary and technical schools with an enrollment of more than 28,000 students. Every year they harvest tens of thousands of tons of oranges, lemons, mandarin oranges, limes and grapefruit.

This provides work for 3,500 peasants who live in a town of modest houses erected in the midst of the 34,000 hectares planted with beautiful fruit trees.

In this gigantic garden called Victoria de Giron, it is hoped to obtain half a million tons of citrus by the end of this 5-year period which can produce income of more than \$100 million.

The revolutionary government has invested more than 200 million pesos (some \$250 million) in this project so far. This figure includes expenditures for an industrial complex, five sorting plants and several packaging plants.

All these transformations are backed by broad use of technology, airplanes to fumigate, spray irrigation networks and the work of almost 300 engineers and

intermediate technicians, most of whom were trained in the technological schools erected in that zone.

The inhabitants of the peninsula and the surrounding area still remember when more than 70 percent of the land was covered with rocks, woods and swamps. All of that is behind now. That inhospitable land with little agricultural and livestock yield is now a large productive garden yielding citrus and the knowledge of technology.

7717

CSO: 3248/926

VEGA IMBERT DEFENDS NEW FOREIGN POLICY

Santo Domingo LISTIN DIARIO in Spanish 25 May 83 pp 1, 13

[Text] The minister of foreign affairs, Jose Augusto Vega Imbert, yesterday defended the government's foreign policy and declared that its formulation is the exclusive responsibility of President Salvador Jorge Blanco.

Vega Imbert, who yesterday rejected categorically criticism of Dominican foreign policy, denied that it is contrived by the Socialist International.

When he was asked his opinion regarding criticism of government foreign policy made by former foreign minister, Ramon Emilio Jimenez Reyes, Vega Imbert replied that "I believe that the former foreign minister is talking like a political candidate, a militant partisan with aspirations and that he has entered the electoral campaign prematurely."

Likewise, he said that "it is not true" that the Socialist International directs Dominican foreign policy, at the same time he said that foreign policy is directed by the one who constitutionally has the right and power to do so and he is President Salvador Jorge Blanco."

Vega Imbert made clear that the government discharges that function through the Foreign Ministry "which is the constitutional and legal entity to do it."

He indicated that "on a previous occasion we said that the government-party relationship in this area, as in any other, was subject to what is called the government program which supported the candidacy and emerged triumphant and that today is the government."

Foreign Minister Vega Imbert emphasized that "to the extent that there is a program, of the Government of National Convergence, then in that same measure there exists a unity of criteria between the government and the Dominican Revolutionary Party."

He added "therefore it is necessary to point out that in our foreign policy there is no ambiguity and it is much less true that the Socialist International dictates it."

However, the foreign minister stated that "I am conscious of and fully in agreement with the former foreign minister Jimenez Reyes in that the ministry has good and competent personnel."

With regard to criticism of Dominican participation in the Meeting of the Group of Non-Aligned Countries, in New Delhi, Vega Imbert recalled that in addition to Cuba, the Holy See, Argentina, Colombia, Venezuela, El Salvador, Nicaragua and Panama were also represented.

Vega Imbert stated that "but what I can certainly reiterate is that he (Jimenez Reyes) is 100 percent wrong when he says that foreign policy is not formulated by the president, nor by the Foreign Ministry."

In another area, the foreign minister made some observations on the visit to this country of Hans Juergen Wischnewski, vice president of the Social Democratic Party of Germany.

However, he pointed out that "Social Democracy, as we have said many times, is one of the most important democratic currents right now in the world, and unquestionably we consider that that current is to play a significant role in political and economic problems presently affecting the world and which is translated into a series of concrete steps."

He emphasized that "for example, as you know, he (Hans Juergen Wischnewski) just took a tour through Central America of which he informed us completely."

Vega Imbert maintained also that not only specific countries but also movements which encompass countries--"such as Social Democracy, which by means of the Socialist International groups together political parties, many of which are now in power, such as in the Dominican Republic, Costa Rica, France and Spain,--are worried about the international political and economic situation."

And he pointed out, "In the case which affects us the most, the Central American conflicts, there is a great desire, without violating sacred principles of international law, nonintervention, self-determination of peoples, to contribute, to the extent possible, to the achievement of peace in the area."

9678

CSO: 3248/888

PAPER SUPPORTS FREE TRADE, ACCESS TO U.S. MARKET

San Salvador LA PRENSA GRAFICA in Spanish 2 Jun 83 p 7

[Editorial: "IACCP Announces It Favors Free Enterprise"]

[Text] As a key resource for the recuperation of the world economy the role of the private sector and of free enterprise have been considered by some around here with increasing earnestness.

Such an opinion has just been voiced at the opening meeting in Washington, D.C., of the Inter-American Council of Commerce and Production (IACCP) to discuss the situation in the hemispheric economy in particular and world economic problems in general.

Inflation, recession, and unemployment are aspects of the crisis scenario in general. All these problems are interrelated. It is the same interrelationship that is found in the economic situation of industrialized countries and of developing countries.

That interrelationship was mentioned at the recent summit meeting of the "Seven" in Williamsburg, Virginia. At that meeting free trade and a free market were discussed.

For some time now greater emphasis has been placed on private initiative, free enterprise, and free trade. There has been much discussion about the drawbacks resulting from a policy of public intervention in the economy. Protectionism, in any of its forms and whatever the reasons given to try to justify it, has gradually been losing ground.

It is precisely the promise of giving the countries of the Caribbean basin and Central America a green light, without evident or concealed customs restrictions, on their export trade to the United States market about which the "Reagan Plan," or "Caribbean Plan," has raised the strongest hopes from the very moment when it was announced. The IACCP has given this plan its full support at its current meeting.

In the present crisis pounding the world, various alternatives will surely be necessary, but the option of free enterprise may possibly be one of them. And this will become more evident with each meeting, at any level, where economic issues of regional interest are being discussed.

INCREASED FREE TRADE WITH HONDURAS WILL LOWER DEFICIT

San Salvador LA PRENSA GRAFICA in Spanish 25 May 83 pp 3, 11

[Text] The undersecretary for economy, Ricardo Alvarenga Valdivieso, and other members of the negotiating commission which recently went to Tegucigalpa announced yesterday that additional Salvadoran products have been included in the lists of the Bilateral Trade Treaty with Honduras.

The negotiations carried out last week by the negotiating commission--formed by representatives of the Ministry of Economy, the Treasury, the Central Reserve Bank, the Salvadoran Association of Industrialists and the Chamber of Commerce and Industry--were a success, said Undersecretary of Economy Alvarenga Valdivieso.

The official explained that the meetings resulted in the inclusion of new items in the tariff schedules; 44 of these items are Salvadoran commodities and the other 27 are Honduran products. From our viewpoint, the most significant development in these negotiations is the fact that 99 percent of these items will be treated as duty free items which means that they appear in the Annex "A," the undersecretary said.

The other 1 percent represents a product subject to quota and a product carrying a low tariff rate of 5 percent. Of these items, 60 percent are from El Salvador and 40 percent from Honduras.

A breakdown of the items, the undersecretary said, shows that 15 percent of them are very important for El Salvador "because they will generate additional foreign reserves and will reduce our current trade deficit with Honduras."

Alvarenga Valdivieso explained that the negotiations with Honduras were not the work of a single individual and that the advantages and gains achieved in these negotiations were due to the work of the Salvadoran team in the joint commission with Honduras.

Finally, Alvarenga V. urged Salvadoran industrialists and trades to take note of the additional items included in the lists of the Bilateral Trade Treaty with Honduras because they offer an opportunity to expand the market and to bring foreign reserves into the country.

In conclusion he mentioned some of the items added to the lists such as dried soups and consomes, pasteurized fresh cream, natural honey, instant coffee, chocolate sweets and candy, cigars and cigarettes, carbonate of calcium, kenaf seed, barite, pyrotechnic flares which do not explode, pine oil, waterproof canvas, brooms without handles and so on.

PID LEADER: SUGAR MILLS SHOULD RETURN TO PRIVATE SECTOR

San Salvador DIARIO LATINO in Spanish 4 Jun 83 pp 4, 15

[Text] The problem of El Salvador's sugar situation would be solved if the sugar mills were returned to private ownership, Eduardo Garcia Tobar, secretary general of the Independent Democratic Party (PID), noted.

This political leader did not explain how it came about that the sugar mills were included in the agrarian reform process because in his opinion there was no reason for such agroindustrial institutions to fall under the control of a state organ such as the National Sugar Institute (INAZUCAR) since the majority of sugar mills were operating efficiently and there were no problems of sugar scarcity or supply as is the case now.

Garcia Tobar said that he understands that the 3 years during which INAZUCAR was to hold title to the sugar mills are coming to an end and he was hoping, he said, that they will devolve once again into the hands of their former owners or to the mixed sector in such a way that the sugar industry should once again function reliably and profitably for the Salvadoran people.

The head of the PID said that nationalization of the sugar industry has resulted in INAZUCAR's having suffered to date accumulated losses of 115 million colones and in the price of sugar rising to dangerous levels for the Salvadoran consumers even though there are neither legal nor equitable means to raise the price of so vital a commodity in the diet of Salvadorans.

2662

CSO: 3248/891

FIVE PERCENT STAMP TAX DRAWS CRITICISM FROM PPS, ARENA

Government-Controlled Goods Unaffected

San Salvador LA PRENSA GRAFICA in Spanish 21 May 83 pp 5, 40

[Text] The Finance Ministry plans to give wide dissemination to the legislation passed by the assembly the night before last which contains an increase in the stamp tax and the tax on official stamped paper.

It was explained that it should be understood that when the law goes into effect, the new tax will mean an increase of no more than 3 percent on top of the 2 percent current tax, that is, an increase to a total tax of 5 percent. For example, sales of up to 50 colons will require a tax stamp of 2.50 colons; sales of 50.01 colons will require a 5-colon stamp; those from 100.01 to 200 colons will carry a 10-colon stamp and so on.

The stamp tax passed by the Constituent Assembly will be applied to transactions involving sales of merchandise and services. Products and services supplied by the government will not be subject to the new tax.

This was explained yesterday by officials of the Excise Tax Office. In elaborating on the above they pointed out that in view of this situation, the Ministry of Economy will have to enforce the Price Regulation and Control Statute--also contained in the Economic Stabilization Statute of Decree 544 in a strict manner.

In addition, the informants reiterated that products whose prices are regulated by the government will not be subject to the stamp tax; thus basic items of consumption, medicines, rents, farm products, and supplies meant for that production area will not be affected as their prices are set by the Ministry of Economy.

Therefore, they indicated it must be understood that the implementation of these laws is urgent in order to head off alterations in the prices of basic items; at the same time the people should be informed that they do not have to pay more than the prices already established.

They said that the new tax schedule passed by the Assembly would affect rents of offices, buildings, and rooms used for business purposes.

Examples of the new tax schedule are as follows: sales up to 50 colons will require a 2.50 colon stamp; sales from 50.01 to 100 colons, a 5-colon stamp; from 100.01 to 200 colons, 10 colons, and so on. In conclusion, the Excise Tax Office officials said that once the new tax schedules for the decree passed by the Assembly are ready, they will have to be disseminated widely for the benefit of the people.

Austerity in Public Spending

San Salvador LA PRENSA GRAFICA in Spanish 21 May 83 pp 5, 42

[Text] The Salvadoran People's Party is opposed to all tax increases as long as the government gives no clear indication of combatting corruption in public administration, Genaro Pastore, deputy for the party in the Constituent Assembly, asserted during discussions on the increase in the stamp tax schedule and official stamped paper.

"We in the PPS believe there should be no increase because we have noted that the various forms of corruption we have been suffering from for a long time are not being combatted efficiently."

"At the same time," Pastore stated, "we think the tax increase will inevitably result in increasing the cost of living, which will aggravate the wage freeze situation Salvadoran employees are suffering from now."

The PPS deputy emphasized that there was no clear evidence that realistic and necessary austerity in public spending would be implemented by the present administration.

He also said there was a belief in the party that there were other ways the government can generate revenues in the medium and short term, but he did not specify what kind of taxes he was referring to.

Effects on Poor

San Salvador LA PRENSA GRAFICA in Spanish 21 May 83 pp 5, 29

[Text] The Emergency Fiscal Law is inadequate and illogical because it does not deal with the real causes that motivated it, and the country's budget deficit may continue to increase, thus leading to economic chaos.

This statement was made yesterday in the name of the Nationalist Republican Alliance Party (ARENA) by party deputies Antonio Enrique Aguirre, Jose Francisco Merino Lopez, and Ricardo Arnoldo Pohl in connection with the vote by the Budget Finance Committee recommending approval of the stamp tax increase.

The passage of the legislation by the 37 deputies of the other political parties, PAISA [Authentic Salvadoran Party], PCN [National Conciliation Party], AD [Democratic Alliance], and PDC [Christian Democratic Party], is harmful to the economy, the deputies pointed out in the explanation they gave on the

floor for abstaining from the vote Friday on the increase in the tax stamps for sales of goods and services. They said it would bring us in a very short time to the economic chaos against which they had always fought. Instead of stimulating and reviving the productive sectors of the economy at all levels, the Emergency Fiscal Law would produce an imbalance even more harmful to the economy, they said.

At the same time, according to estimates, revenues would not be sufficient to cover the budget deficit, and this was recognized by the same Finance Committee that voted its approval, the deputies said.

It is people of low income that suffer from this type of measure because it is an indirect tax. As a result, it is passed on to the consumer in a progressive and, to a certain extent, disorganized manner, and it is difficult for the agencies administering this type of tax to maintain control of it. The increases in prices for the consumer ultimately exceed the levels foreseen by the proponents of this measure, the ARENA deputies said.

To illustrate the above, they gave this example: an item costs the producer 100 colons. When he adds the 5 percent stamp tax before selling it to the distributor, the cost becomes 105 colons, but when the distributor adds his 10 percent profit, the price of the product increases to 115.5 colons. When the wholesaler sells it to the retailer and adds the 5 percent stamp tax, the product now costs 140.06 colons.

The increase in the price of the product costing 100 colons originally does not stop there, but continues because the retailer, having acquired it at 140.06 colons, applies his 10 percent profit and it increases to 154.07 colons. When he sells it to the consumer, he adds 5 percent for stamps on the sale, and the product costing 100 colons costs the public no less than 161.77, and the tax revenue is only 25.15 colons, the deputies told the assembly. Nevertheless and despite all these reasons, they concluded, the decree bearing the Emergency Fiscal Law was approved.

9015

CSO: 3248/858

NEW PARTIES ESTABLISHED, OLD PARTIES SHOW DIVISION

San Jose LA NACION INTERNACIONAL in Spanish 19-25 May 83, pp 7, 8

[Article by Roxana Zuniga]

[Text] Guatemala has been inundated by political parties since last 23 March, when electoral legislation prompting the revival of traditional groups and the birth of others went into effect.

By the end of April, 16 parties ranging ideologically from left to far right had appeared on the country's political scene.

However, that number could increase due to the deep internal divisions within some groups, a situation that could well lead to the creation of new movements.

After a year of forced inactivity, the parties have created an agitated atmosphere that is placing more and more pressure every day on the government of Gen Jose Efraín Ríos Montt, who came to power after Gen Fernando Romero Lucas was overthrown in a coup.

The greatest discontent has arisen because no definite date has been officially set for electing a National Constituent Assembly. This assembly will establish the necessary legal foundations for electing the president by popular vote.

The government has not been clear on this matter. Rather, many statements have been made, some of them contradictory, but none has been "the last word."

At one point Ríos Montt announced the selection of March 1984, but he has never mentioned that date again. In fact, in response to a written question by LA NACION INTERNACIONAL, the head of state was very careful not to specify a date.

Asked when election will be held, Ríos Montt responded, also in writing, "our political program foresees the first elections for a National Constituent Assembly next year." Nothing more.

Other officials have provided more details, but it is not clear how realistic they are. For example, Dr Jorge Serrano Elías, president of the Council of State and intimate of the head of state, announced in early May that on May 23,

1984, Rios Montt will call for popular elections and that they "probably" could take place in June of that year.

The uncertainty about the exact date of the elections has made several parties suspicious. Some of their representatives suggested that perhaps the political timetable was being organized in such a way that the president would stay in power some 3 years longer.

Current Christian Democratic Secretary Vinicio Cerezo, who participated with Serrano in the debate arranged by Georgetown University in the American capital, complained of "having had to come to Washington" to find out the government's plans and expressed mistrust of the word "probably."

He indicated that the timetable mentioned by Serrano "delays by 2 or 3 more years" the organization of "real elections."

Proliferation

In addition to their current impatience, the traditional parties are also showing some fear of the large number of political groups that have emerged as a result of the Party Law in effect since last March.

With only 4,000 signatures necessary to establish a political movement, seven new parties had emerged by late April, only one month after the political opening.

This proliferation of parties is simply the result of an official proposal because, according to Serrano Elias, it is imperative "to make new choices possible."

The government lowered from 50,000 to 4,000 the number of signatures necessary to register with the appropriate agencies, so that in future elections "the people will not see the same old faces and names, and hear the same old speeches."

"The parties could never meet the 50,000 signatures requirement, so ghosts and dead people were signing. Today only 4,000 of the living are required to sign because we want the whole range of political groups to participate, including socialists and communists," the president of the Council of State said.

According to several journalists who cover party politics, the government's concession is an attempt to use the old, effective tactic of "divide and conquer."

It is thought that this is being done to benefit a possible official party that is being covertly organized. However, Serrano emphatically reiterated that there will be no official party. "At present there is no desire to form one and there will not be one," stated the official.

New Faces

As a result of the new electoral legislation, seven parties had sprung up by the end of last month, many of them already legally registered in the Ministry of Government Administration.

The "new faces" in Guatemalan politics are found in the following parties: Democratic Alliance, with its secretary general, Leopoldo Urritia, which calls itself a "democratic Left" party; the Catholic Party, with its leader, Miguel Angel Mexicano Novales, which could be considered a moderate Rightwing party and which does not have Church authorization to use the word "catholic" in its name.

There is also a Democratic National Coordination party. In the last elections, this party was called the Guevarist National Coordination party and supported official candidate Anibal Guevara. Now, it is a party considered to be the rightwing by many and its current secretary general is Jose Miguel Barrios.

The Concordant Emergent Movement has been built around Col Francisco Gordillo, a former member of the government Junta who has now taken a position of clear opposition. Its secretary is Ruben Dario Chavez. The party claims to be eminently democratic and to be comprised by various sectors of Guatemalan society.

The Peasant Worker Party is in the process of organizing and registering. Its leader is Felix Zarazua, an Indian who participates in the Council of State. He says his group will bring together sectors that have never played an active role in politics: workers and peasants. The predominant ideology will be Christiansocial.

The Equicratic Party of National Conciliation is also in the organizational stage. This party has brought together a group of professionals whose philosophical outlook on how the nation's problems should be solved is not very well known, but is very unique.

Another party being organized is the Christian Social Party. "We intend to follow the genuine Christian social school of thought that began with the social message of the Gospel and that was further developed in the works of such ideologues as Maritain, Lebreton and Mounier," stated party leader Carlos Gehlert Matta.

Old Faces

The political opening allowed the so-called traditional parties to become active. Many of them have a dark past in the country's electoral history.

Both the moderate left Christian Democratic party (DC) and the far right National Liberation Movement (MLN), especially the latter, have broad political influence.

Both are currently facing major internal divisions and it has even been said that the dissidents may establish themselves separately.

In the DC, professor Danilo Barillas disagrees with the way the party's provisional directorate was organized, leaving the general secretariat in the hands of Vinicio Cerezo Arevalo, who has held that position in recent years.

Leading a "renewal movement" in the DC, Barillas is arguing in favor of the need to restructure "our party on the basis of internal democracy, renewal of the leadership, and growth of the participatory and decision-making bodies."

The leader's statements took many people by surprise because they saw the DC as the most cohesive group in the republic.

Nonetheless, in Christian Democratic circles it was being said that the problem "is that the chicks have grown up and Cerezo and Barillas are two roosters who can no longer stay in the same coop."

A similar situation is occurring in the ranks of the MLN, where Lionel Sisniega Otero, who appeared on the presidential ballot with Mario Sandoval Alarcon in the elections lost in March 1982, made a definitive break with the current party leadership.

Sisniega made his declaration in mid-April after several months of silence. He explained that he made this decision because the MLN leadership was not united with him during "the difficult experiences of recent months."

At present, the dissident is outside the country--many say in Honduras and others say in the United States--because the government accused him of participating in a plot to overthrow Rios Montt.

Commenting on the position taken by Sisniega, who in the past came to believe he was the party's number two man, the secretary general of the MLN said, "Lionel is like that. He comes and goes."

The debate among the media and in political circles concerns whether there will be separatists who will follow Sisniega Otero into a new wing.

Another party with internal divisions is the leftist United Revolutionary Front (FUR), founded by Manuel Colom Argueta, the late social democratic leader who was killed on 22 March, 1973.

The power struggle concerns gaining control over the general secretariat, which is being fought over by Miguel Angel Andrino, Carlos Maroales and Jose Angel Lee, the current mayor of Guatemala City. It is being said that the first two might join forces and that the third might establish his own faction, since he has many supporters in the capital.

Other parties include the Revolutionary Party, the Democratic Institutional Party and the National Unity Front, which together formed the Popular

Democratic Front. This group sponsored the candidacy of Gen Anibal Guevara in the 1982 elections.

Apparently, these parties have not yet recovered from the wear and tear of the last electoral campaign in which they were practically the official party.

Napoleon Alfaro is the current secretary of the Revolutionary Party, Oscar Rivas Garcia is secretary of the Institutional Party, and Gabriel Giron Ortiz is secretary of the National Unity Front.

These groups, together with the National Renewal Party, whose leader is former presidential candidate Alejandro Maldonado, and the Authentic Nationalist Center party, whose secretary is Mario Aguilar Arroyo, can all be considered parties of the liberal right.

At the beginning of the political opening, it was thought that more leftist political organizations would emerge. However, to date, rightwing and conservative groups have prevailed.

One group, the Democratic Socialist Party, has never actually become a party despite its name. This is because after registering as a civic committee in 1979 its highest leader, Alberto Fuentes Mohr, was allegedly murdered by paramilitary groups.

Since then, its main leaders have been abroad. Despite this, the group could become a party now.

Confrontations

Several weeks have passed since it became possible for parties to be legalized and several movements have taken a position of clear opposition to the government, which they have called the government of "a thousand contradictions."

The DC, the MLN and the Democratic Socialist group have expressed extremely strong criticisms. The latter has even said that as long as lives are not secure "the much vaunted political opening will be nothing more than a farce and the voting will be the same self-serving electoral process it has always been."

The parties' initial belligerence and their impatience to hold elections could become a two-edged sword for many.

In addition to wanting "everyone to participate," the government has stipulated in the law that only those groups that win a minimum of 4 percent of all valid votes cast will maintain their status as parties. That stipulation is a kind of screen that will basically protect the more popular, traditional parties. It will not help the young parties much, since they do not have enough time to win supporters.

12351

CSO: 3248/881

NEW SOCIAL DEMOCRAT PARTY CAUSES DIVISION

FN Established

Guatemala City DIARIO EL GRAFICO in Spanish 2 Jun 83 p 8

[Text] The organizing committee of the New Force political party, described by its members as a "social democrat party," has registered with the Ministry of Interior. It is led by an interim national executive committee (CEN) made up of 10 persons: secretary general, Mario Montenegro; organizing secretary, Prof. Hector V. Castaneda; recording secretary, Attorney Byron Valvert; finance secretary and president of the Advisory Council, Jose Manuel Vasquez Lopez; planning secretary, Attorney Roderico Abigail Ruiz Pinto; branch secretary Marco Antonio Velasquez; labor secretary, Julian Paiz Suazo; metropolitan district secretary, Jorge Galvez; administrative secretary, Rene Paz; and press secretary and president of the Political Council, Attorney Carlos Rafael Soto.

FN States Its Independence

Guatemala City DIARIO EL GRAFICO in Spanish 5 Jun 83 p 24

[Text] New Force, the social democrat party that registered this week, has decided to have no contact whatever with the social democrats in exile or with the social democrats still in Guatemala; however, they will continue to follow in the political footsteps of the late Alberto Fuentes Mohr. Everything seems to indicate that there will be three or four social democrat parties in this country as there is another group, the People's Force, which has as yet not placed itself within the social democrat concept but which plans to register shortly.

PSD Denies FN's Legitimacy

Guatemala City DIARIO EL GRAFICO in Spanish 10 Jun 83 pp 7, 28

[Text]

Guatemala 7 June 1983

Mr Jorge Carpio Nicolle, General Manager
Diario El Grafico
City

Dear Mr General Manager:

On the second of this month we sent you a clarification in connection with an article published in EL GRAFICO of that date in which the recently organized group known as the "New Force" illegitimately used the name of our late leader, Alberto Fuentes, Mohr, for the absurd purpose of creating publicity. Unfortunately, that clarification was not published, despite the fact that it has been several days since we requested your cooperation in this matter.

Again, in an article published in the same newspaper on Sunday, 5 June, in the section "This Is Confidential" of the News Review, Page 24, that group persisted in saying the following, among other things, "...that they will continue to follow the political leadership of the late Alberto Fuentes Mohr." How could they follow that political leadership when they have never had any connection with the Democratic Socialist Party, either at the time it was founded or during the course of the struggle our organization has waged for years, and in which other worthy comrades have fallen. Neither as a group nor individually have they ever condemned or demanded an investigation and punishment for those guilty of that vile crime. Now they are offering a "political opening," which, incidentally we consider inconsistent and lacking in authenticity because they come out and spuriously try to confuse or take the public unawares, despite the fact that some of them belonged to the Revolutionary Party and the Christian Democracy Party up to only a very short time ago, and others participated in the election farce in favor of the official candidate, but this does not really concern us. But we do wish to categorically condemn their opportunistic attempt to make use of the memory of an honorable and unimpeachable fighter for social justice in Guatemala and respect for human rights by people who at no time participated with our comrade, Fuentes Mohr, against the political model that has maintained itself by fire and sword and against which that comrade fought so hard.

In view of these considerations, we reiterate the ideas expressed in the clarifying statement, which read as follows:

1. None of the people who appear as leaders of the group called the "New Force," which registered with the Ministry of Interior on the second of this month, has ever belonged to the Democratic Socialist Party (PSD), nor were they companions of our late leader, Alberto Fuentes Mohr. Rather, before the coup d'etat of 23 March 1982 some were members of the Revolutionary Party and others members of the Christian Democracy Party.
2. We harshly condemn the attitude of these people, whom we forbid to continue usurping the name of our leader, Alberto Fuentes Mohr, in this sly attempt to obtain publicity, without having any right at all, because the Democratic Socialist Party that he founded remains fully and legally constituted, and is keeping faith with the his unimpeachable struggle and his identification with the sacred interests of our people, firmly adhering to the political and ideological guidelines laid down by our comrade, Alberto Fuentes Mohr, during his life.
3. As we have stated many times, the Democratic Socialist Party wishes to make it very clear that we continue to be open to dialogue with all the

political groups a that are struggling to establish democracy in this country, which does not mean that we are only thinking of elections within the framework of a nonexistent "political opening." Guatemala is passing through a grave crisis which requires a very great effort on the part of every Guatemalan in the search for a solution to the problem we have. If the conditions for initiating a democratic process are created, our party will assume its historic responsibility and lead the working classes of this country in attaining those objectives.

Trusting in your ever present respect for freedom of speech, which is manifested so often through the pages of the communications media that you direct, we are again requesting that you clarify the articles mentioned above, which affect the image of our organization.

Thank you for your kind attention, we remain

Very truly yours,

Secretary General of the Democratic Socialist Party

By: The Organizing Secretary

FN Response

Guatemala City DIARIO EL GRAFICO in Spanish 12 Jun 83 p 8

[Text] Attorney Carlos Rafael Soto, press secretary of the organizing committee of the Fuerza Nueva (FN) political party, has asked us to correct the assumptions contained in a letter we published on Page 7 of yesterday's edition referring to alleged assertions by the organizing committee of the FN to the effect that that political group would be the party inheriting the legacy left by the late Alberto Fuentes Mohr.

"We deny that," says the correction, "because Fuentes Mohr's party is the PSD, which he founded and led until the day he was assassinated. Several communications media reported that information, but the EL GRAFICO political reporter, perhaps because of an error, distorted it."

We are not interested," the letter from Attorney Soto adds, "in attributing anyone's political legacy to ourselves, because the history of the political thought of humanity is too rich, too extensive, to let us commit the error of taking as a point of departure the thinking of just one man when millions, from Spartaco to a certain Guatemalan peasant buried under the name of XX, have fought to lead human beings to ever higher paths.

"We are going to clarify some things in private with the PSD comrades, with whom we have no desire to enter into a polemic. But we wish point out one thing so that your thousands of readers will not be confused. In the letter sent by the PSD it is stated that "they have never had any connection with the PSD." Perhaps the writer of the letter is not fully conversant with the

history of the PSD, whose roots were in the Authentic Revolutionary Party (PRA), organized by Fuentes Mohr. It should therefore be recalled that in the election of 1974 the PRA, the DC, and the FUR [United Revolutionary Front] formed the National Opposition Front in support of the candidacy of Gen Efraín Ríos Montt, and in 1978 the PRA and the DC joined forces to support Gen Ricardo Peralta Méndez. I mention this to show that the efforts to bring democracy to Guatemala go back a long way, and that what we call the PSD today has participated in those efforts since 1974.

FN Criticizes Superpowers

Guatemala City DIARIO EL GRAFICO in Spanish 13 Jun 83 p 22

[Text] The Social Democratic leaders registered under the name of New Force, with Mario Montenegro as secretary general, have released a study conducted in the United States concerning Central America which shows that the Americans would be strangled if they did not control the Caribbean and Central America.

In that security study it is stated that the United States imports 97 percent of the manganese it needs, 76 percent of its nickel, and 93 percent of its bauxite, and that the greater part of these needed imports are provided by Central America and the nations of the Caribbean Basin; thus, whoever controls the Caribbean and Central America could strangle the United States by cutting off its supplies of petroleum and minerals.

In a paper prepared by the Democratic Socialist Party, it is stated that, "This explains why the two superpowers are clashing in a merciless struggle in Central America without shedding their own blood."

Which explains the more than 100,000 violent deaths and the millions in material losses that have been suffered with the destruction of various kinds of resources. One side is trying to continue to exploit us and the other side is trying to snatch the prize away."

"We Central Americans will not be able to participate in the winnings of the side that eventually triumphs. We will only have participated with our blood and our suffering," it adds.

The study released by the New Force also states that if governments sympathetic to the Soviets take control of Central America, the Western Hemisphere will be cut in two. And from that position those governments would threaten the two largest oil producers in Latin America, Mexico and Venezuela.

9015

CSO: 3248/931

MINISTER CLAIMS TRADITIONAL PARTIES ARE PRESSURING GOVERNMENT

Guatemala City EL IMPARCIAL in Spanish 11 Jun 83 pp 1, 3

[Text] The agitation against the government began with the letter of Gen Guillermo Echeverria Vielman--now retired from the army--according to spokesman Rafael Escobar Arguello, undersecretary for public relations in the Executive Branch.

The spokesman added that this situation "has given hopes to the politicians who want to gain power as quickly as possible and who are claiming that there is a division in the government," which he said was untrue.

He also pointed out that the series of problems now coming to light are not spontaneous but part of the political pressure seen on all sides. Escobar Arguello mentioned, as part of the plan, the insistence that the soldiers return to their barracks--as has been requested--and that the government does not have the authority to effect a tax reform; he said that all of this aims at pressuring the government into calling elections without delay.

Whom would the elections benefit? . . . The traditional parties, because it is obvious that they have prepared their propaganda squads while the new groups that have filed and should take part in the elections in accord with the political opening advocated by the government would have no change of winning, Escobar Arguello pointed out as he argued that this is the reason for allowing a prudential time span for calling national elections.

With all of this, he could not or chose not to identify the political current that supports this kind of pressure, but he recalled that there is a consensus among the traditional parties to request or even, at times, to demand elections urgently.

Forthcoming Meetings

In another arrangement Escobar Arguello indicated that the dimensions of the tax reform package will continue to be brought into focus next week by President Rios Montt, the economic office of the government and the Council of State's Committee on Economic Reactivation.

This week the three interviews held by the chief of the military government with the Council of State and technicians from the Finance Ministry were

concluded. Next week, which is to say next Monday, those conversations will resume with the goal of perfecting matters related to each line of the tax package so that the observations already made can be included in the light of the reality the country is experiencing in political economic and other matters.

12,116

CSO: 3248/940

PARTIES REACT TO RIOS MONTT'S STATEMENTS ON VOTING FRAUD

CAN Considers Remarks Disrespectful

Guatemala City PRENSA LIBRE in Spanish 10 May 83 p 4

[Text] "I think Gen Rios Montt was rather disrespectful to the leaders of the political parties in his message Sunday when he accused them of having 'sacks full of ID cards,'" Mario Roberto Aguilar Arroyo, secretary general of the Authentic Nationalist Central (CAN) told PRENSA LIBRE yesterday.

In answer to questions posed by a reporter, Aguilar Arroyo said that "we have never addressed him in a pejorative or denigrating manner because we respect the high office he holds. We have always demonstrated that our desire was to cooperate with him in solving the problems of the country, although we have not been treated in the same way, so that we would have the opportunity to add our mite.

"Naturally, since we are on the outside, we are able to get a somewhat broader view of the political, economic and social panorama than a person who is shut up within the four walls of the palace. When are critical or point out something, we do so because we consider it constructive, but we are never disrespectful either of the chief executive or the government," he stated.

"Therefore," he added, "we demand the same treatment for ourselves, and not in the pejorative and somewhat irreverent manner used by the chief executive in his latest Sunday message."

Aguilar Arroyo stated that it was not true that there are "mountains or sacks of ID cards," in the headquarters of the party he represents. indicating this is the reason given for not holding elections in Guatemala or as President Rios Montt said, "we are not ready."

"That is an accusation which, because it has an impact beyond our borders, does indeed bring the civic education and the civic ideals of Guatemalans into question. That is a serious accusation; therefore, I definitely believe that General Rios Montt definitely is being rather disrespectful toward the political leaders of this country," he concluded.

DC Rejects General Labeling

Guatemala City PRENSA LIBRE in Spanish 10 May 83 p 4

[Text] The secretary general of the DC [Christian Democracy], Vinicio Cerezo, expressed surprise at the fact that President Rio Montt, in his message of last Sunday, was "unfair and out of touch with reality in lumping together all the political parties in his statements accusing them of using fraudulent methods to win the presidential elections."

He said that "it is obvious that our position is not understood; therefore, I consider it necessary to clarify it.

"First, we consider it unfair of the President and out of touch with reality for him to include all the parties in this accusation. He personally knows that Christian Democracy has never used fraudulent methods to win, much less making use of false ID cards, because that method was actually used by the parties that were in the government in 1974, contributing to the election fraud against him and our party.

Do Not Lump Them All Together

"Thus," he said, "we reject the idea of lumping us together with the parties responsible for the administrations in power from 1970 to 1982, and the people are witnesses to this because we are not now nor were we in the government since we were victims of election frauds and not participants in them."

Cerezo added, "We are indeed aware that we represent a large bloc of voters, because all the votes we received always came when we were in the opposition, and although we cannot actually claim to represent all the people of Guatemala, we can assert that we do represent a large sector of public opinion. When we make certain types of criticism or point out something, especially in connection with the need to prepare for the return to democracy, we are interpreting the desires of a majority of Guatemalans.

"In addition, we wish to make it very clear to the president and his government that we are in no hurry to hold elections, because we have spoken of the need for elections in 1984 for the constituent assembly and in 1985 for the presidency. This because we know that a reasonable period of time should be devoted to reorganizing the political system and many of the parties, but we do not agree that the reorganization of that system should be carried on indefinitely, because this would only be an excuse to prolong beyond a reasonable period the existence of a government the people accepted as one of transition.

"To go beyond that reasonable period and to refuse to specify dates is to deny granting the public a guarantee of what is going to happen in the future and to pave the way for instability."

Cerezo added that they, the DC, speak for themselves and not for other political parties, "which will have their reward or their punishment according

to the way history judges their behavior and as a result of the public's attitude toward them."

Finally, he said that all Guatemalan Christian Democrats agree on the necessity of paying taxes in order to contribute to the welfare of the nation.

PID Wants Election Calendar

Guatemala City PRENSA LIBRE in Spanish 10 May 83 p 4

[Text] "The Institutional Democratic Party (PID) is not at all afraid of the new and uniform identity document for future elections. What is of concern is that there is yet no schedule for a return to constitutionality," the secretary general of that political group, Oscar Humberto Rivas Garcia, told PRENSA LIBRE.

The PID leader was consulted by a PRENSA LIBRE reporter regarding statements made by President Rios Montt in his usual Sunday message. The chief executive said that the political parties had many false ID cards with which to alter the election results.

Rivas stated that the PID could not comment on the statement made by the President, "but we want to make it very clear," he affirmed, "that we are not afraid of the personal, uniform identity document.

"The PID, which is a disciplined and popular party, can win elections because Guatemalans are aware of its reliability and responsibility with respect to public administration.

"It may be that there have been bad leaders in this group, but the party has now been purged. Everyone knows that the present leaders are honest and upright people who only want to contribute to the development of all sectors of the country.

"The only thing that concerns us is that they still have not set up the mechanisms that will be responsible for documenting the citizenry. We want them to decide on dates for returning to constitutional order, which should be as soon as possible. We are not afraid of the uniform document because we can win the coming elections in a fair fight.

CND Agrees with President

Guatemala City PRENSA LIBRE in Spanish 10 May 83 p 5

[Text] "What President Rios Montt said is a great truth. All Guatemalans know of the existence of false ID cards for the last 12 years," the secretary general of National Democratic Coordination (CND), Jose Miguel Barrios, told this newspaper yesterday.

Barrios explained that [past] elections have definitely been questionable because there were many cases where a voter would stand in line for a long

time to vote and be surprised to learn that someone else "had already voted for him."

"At least for the past 12 years various political groups have had false ID cards in order to alter the results in favor of a certain candidate.

"The CND approves the redocumentation of the citizenry but believes the issuance of a uniform ID document will cover a long period, take a long time.

"Therefore, when the mechanisms that will handle the redocumentation are established, there should be a massive publicity campaign on a large scale in all the departments to make people aware of the importance of obtaining their documents as soon as possible.

"It is a healthy sign to hear that they want elections with guaranteed results, but they should not wait too long to return to constitutional order.

9015

CSO: 3248/836

U.S. AID TO REGION FAVORED DESPITE OBSTACLES

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 19 May 83 p 3

[Editorial: "U.S. Aid"]

[Text] The idea of a program similar to the Marshall Plan for Central America and the Caribbean is again circulating in U.S. Government circles, this time in connection with the desire of Democratic Senator Henry Jackson to control illegal immigration from these countries. The principal argument put forward is this: "It will only be possible to control immigration across our southern border when there is stability in Central America. When one out of every eight persons born in the Caribbean resides in the United States, the states of the south and the southwest have a right to be concerned about preventing a flood of the poor and the discontented from entering this country."

Latin America aligned itself with the United States almost as a bloc in the Second World War. Nevertheless, while almost \$15 billion were furnished for the reconstruction of the European economy through the Marshall Plan, its allies in this hemisphere did not merit even the smallest amount of interest by Washington.

Fidel Castro had to come to power before the necessity of investing in industrialization, education, housing, and health programs in the hemisphere could be understood; it came with the name of Alliance for Progress. The change was evident and salubrious. Unfortunately for everyone, it did not last long because the assassination of President Kennedy robbed the program of its initial strength and things returned to where they were, but to a worse degree. The communists cleverly took advantage of this abandonment by the traditional ally, and from then on gained ground until now, once again, there is talk of providing the needed attention to our countries in the manner it was done before in Europe with good results.

The arguments of Senator Jackson are offensive to our peoples, but even so, since it involves an investment of capital and for reasons of hemisphere security, it should be worthy of consideration.

9015

CSO: 3248/880

SERRANO ELIAS FAVORS INVOLVEMENT OVER ISOLATIONISM

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 26 May 83 pp 1, 8

[Text] The president of the Council of State, Jorge Serrano Elias, spoke out in favor of the appointment by President Reagan of former senator Richard Stone as roving ambassador. He stated that this appointment seemed to support the indication contained in the American President's speech before Congress of U.S. interest in the Central American region.

Serrano Elias noted that we have been informed in many cases of the appointment of special U.S. ambassadors to deal with matters of interest in the Middle East, Asia, Africa, Europe, etc.

"I think," he added, "that we will have to wait until later to see what Senator Stone's involvement will be," but he predicted that this could be positive for the Central American region since the task the roving ambassador is undertaking shows there is a special interest in cooperating to overcome the very serious problems we are facing in the region at present.

He noted that there had been a feeling that Guatemala could live in isolation, "but I," he said, "have maintained the opposite because Guatemala belongs to a group of nations and therefore we must get involved in the new concept of international relations; we cannot continue to struggle in international affairs with old-fashioned ideas. We have to realize, he asserted, that we live in a world of interdependence or interrelationships, and therefore we must learn to manage them in order to make our country viable. Otherwise, he asserted, we would be constantly committing errors; isolation does not lead to any good. Guatemala's isolation has caused a shortage of credit, a loss of morale nationwide, and multiple offenses against the dignity of our country. Therefore, he concluded, I am one of those who believe in the modern concept of interrelationships; from the moment when Guatemala signed agreements with other countries it accepted a new role in international relations, and consequently, we cannot deny this now.

9015

CSO: 3248/880

BRIEFS

GRAINS UP 85 PERCENT--Between the month of March and the current month of June a price increase of as much as 80 to 85 percent has been recorded, according to official figures of the marketing section of the National Institute for Agricultural Commercialization [INDECA], the basic grains whose prices have practically doubled in only the last 3 months are corn (white and yellow) and beans. The price of sorghum has risen very slightly and rice has not risen at all. In March wholesale prices for the basic grains at the terminal were 16 Quetzals a quintal for beans, rising to 29 quetzals at the beginning of June, although at the end of last week the price dropped to 27.50 quetzals; white corn cost 7.50 quetzals a quintal in March, but reached 13.50 quetzals in June. Yellow corn, which cost 8.50 quetzals a quintal in March, reached 11.50 quetzals in June for an increase of 35 percent. Beans were steady at 16 quetzals in February, went up to 18.50 quetzals in April, rose to 23.50 quetzals in May and finally reached 29.00 quetzals in June. White corn rose from 7.50 quetzals in March, 11.50 quetzals in April, held steady in May and reached 13.50 quetzals in June. Yellow corn rose from 8.50 quetzals to 9.50 quetzals in March and to 9.75 in April, to 10.75 quetzals in May and to 11.50 quetzals in June. Sorghum, with a steady price of 8.00 a quintal, rose to 9.00 quetzals in April and May and to 9.50 quetzals in June. Only rice maintained its price of 30 quetzals for first-class rice and 28 quetzals for second-class rice in these 3 months and has shown no change. [Text] [Guatemala City DIARIO EL GRAFICO in Spanish 13 Jun 83 p 18] 12,116

CNA WITHDRAWS FROM CACIF--The National Cotton Council has its own identity and sufficient professional and technical capability to defend the legitimate interests of the producers and growers of cotton; under no circumstance can it be subordinated to the interests of another sector. These were the words of Amilcar Alvarez, manager of the National Cotton Council, in explaining the reasons why this group withdrew from the Committee of Agricultural, Trade, Industrial, and Financial Associations (CACIF), which has been representing the interests of the private sector in all the forums of the nation. Alvarez added that CACIF made a mistake in regard to its duty to support the National Cotton Council because when the agricultural sector handed the President of the Republic an analysis and statement of the problems of the agricultural and livestock area, it was not signed by one of the association presidents, which was contrary to the uniform policy CACIF is supposed to follow in such matters. In the opinion of Alvarez, CACIF will lose influence with the withdrawal of CNA because cotton is the second most important product in the economy of this country. [Text] [Guatemala City EL IMPARCIAL in Spanish 26 May 83 pp 1, 2] 9015

CSO: 3248/880

CLOSE ASSOCIATION BETWEEN OPUS DEI, IPADE REVEALED

Mexico City PROCESO in Spanish 30 May 83 pp 11, 12, 14, 15

[Commentary by Oscar Hinojosa: "Opus Dei Pushes Forward in the Conquest of Power in Mexico"]

[Text] The visit of the chief executive officer of Opus Dei, Alvaro del Portillo—he was in Mexico for almost a month—produced an unexpected result: it confirmed the vital association between Opus Dei and the Panamerican Institute for High-Level Management of Enterprise (IPADE), for years concealed with the strictness reserved for state secrets.

Doubts about the association IPADE-Opus Dei persisted in some circles, in spite of diverse items of evidence displayed in books and various publications (PROCESO 188), until disclosures in newspapers about the main event celebrating the visit of Alvaro del Portillo—which took place precisely at IPADE's headquarters—put and end to these (EL DIA, 23-V-83).

In any case, Father Alvaro del Portillo had more than enough reasons to enjoy his stay in Mexico: during its 15 years of existence, IPADE-Opus Dei has made steady progress in carrying out the design of its founder, Josemaria Escriva de Balaguer, to win over "civilian society's ruling class."

"To control the locomotives because they pull the cars" was Escriva de Balaguer's objective. And he achieved this during his lifetime in his own country, Spain, which in the last days of the Franco regime was ruled by a generation of Opus Dei technocrats headed by Laureano Lopez Rodo.

IPADE-Opus Dei has developed the strategy to win over the ruling class in two ways. Not only has it sponsored public officials and business managers, but also founders and directors of the institute occupy government positions.

Several of the founders, directors and former students of the institute—there are already 5,000 alumni—occupy prominent positions in public administration and in the most powerful commercial organizations.

IPADE gave Father Alvaro del Portillo a good report: among the former students of the institute there are at the present time a secretary of state,

Francisco Rojas, from the comptrollership; two undersecretaries, Guillermo Prieto Fortun, from Revenues in the SHCP [Secretariat of Finance and Public Credit] and Carlos Isoard Jimenez de Sandi, from Planning in the Secretariat of Health and Public Assistance; the director of Sidermex, Alessio Robles; the director of Infonavit [Institute of the National Fund for Workers' Housing], Jose Campillo Sainz; the director of Mexican telephones, Emilio Carrillo Gamboa, and the governor of the State of Mexico, Alfredo del Mazo Gonzalez. And these are not all.

Also alumni of IPADE are two of the toughest directors of private enterprise: Jose Maria Basagoiti, president of the Employers' Confederation of the Mexican Republic, former president of the Social Union of Mexican Businessmen and founder of IPADE; Jacobo Zaidenweber Cwilich, president of the Confederation of Industrial Chambers [CONCAMIN], and Alfonso Pandal Graf, former director of CONCAMIN and usufructuary of the Lopez Portillo concession of half of Oaxaca's forests.

The vice president of IPADE and former general director of the institute himself, Carlos Acedo Valenzuela, has already had the position of Commissioner of the General Accounting Office of the Federation in the Iron, Steel and Mining Sector since 20 April 1983.

By becoming a member of the public administration, Acedo Valenzuela--colleague of the already mentioned Francisco Rojas and Miguel Alessio Robles--proves and substantiates the effectiveness of ties established through IPADE, as he himself exuberated when presenting the institution's governing body as a "valuable means of communication" that contributes to "the friendly unity of all of its alumni."

The level of association of the above-mentioned persons with IPADE-Opus Dei is varied. Some go through the institution without putting down roots. Others have been associated with it since its inception.

Because of the leading part he has played in the history of IPADE-Opus Dei, it is assumed that the undersecretary of finance, Guillermo Prieto Fortun, is one of the public officials most closely connected to the institution, closely followed by Undersecretary Isoard.

Like the latter, Prieto Fortun is a member of IPADE's founding generation, along with Jose Maria Basagoiti, Carlos Acedo Valenzuela, Gaston Azcarraga Tamayo, Fernando Casas Bernard, Julian Fernandez Urquiza, Carlos Llano Cifuentes, Alberto Pacheco Escobedo, Gonzalo Gout Ortiz, Jose Ines Peiro Urriolagoitia, Oscar Rivero Azcarraga, Carlos Rosell Alvarez, Manuel Senderos Irigoyen, Jorge Sanchez Mejorada and Antonio Ruiz Galindo.

A plaque in the headquarters of IPADE in Claveria commemorates the pioneering generation of this "true university of businessmen", as IPADE has defined itself.

That the role IPADE-Opus Dei has ascribed to itself is not irrelevant was clearly established by Prieto Fortun himself on 27 June 1977 at the end-of-

term ceremony of the master's program: "Among the institutions that are dedicated to the education of the leaders that will guide the destiny of Mexico, one of the most prestigious, inside or outside our boundaries, is IPADE."

Time has proved him right.

Prieto Fortun was director of financial administration of the SHCP, when along with Acedo Valenzuela, Carlos Llano Cifuentes, then director of IPADE, and Fernandez Urquiza, he led the graduation ceremony of 44 master's candidates.

And he had already been promoted to subsecretary of revenues when in 1980 IPADE started a financial campaign to pay for a program of expansion. Either absent-mindedly or deliberately, the Secretariat of Finance gave the authorization for donations to be "deductible from the total taxable income of businesses as well as of individuals."

The Opus Dei philosophy, in its objective of penetrating the economic sphere, took a definite step within the Secretariat of Finance and Public Credit at a time when Carlos Isoard was undersecretary of expenditures and Prieto Fortun was director of income tax.

Officials of the SHCP and students of IPADE have included, at different times: Francisco Vizcaya Canales, auxiliary assistant director of credit (his superior was the current president); Carlos Inigo Suarez, head of the department of administrative affairs; Guillermo Noriega Velasco, head of the department of public relations; Lorenzo Manuel Cole Candanedo, head of the department of tax on overall income of individuals; Alberto Navarro Rodriguez, head of the department of examination and liquidation of audit records (the last three under the jurisdiction of Prieto Fortun). Also included are Leonardo Alday Martinez, head of the department of vigilance over taxpayers, and Manuel Rodriguez Rocha, director of financial auditing.

Precisely when IPADE's influence in the SHCP was at its peak, the secretary of finance was Jose Lopez Portillo, who, under that title and as a president of the republic, met three times with the members of IPADE. Accompanied by members of his economic cabinet, Jose Lopez Portillo talked extensively with members of IPADE at the same place where a few days ago Alvaro del Portillo, world leader of Opus Dei, blamed the sinful Mexican society for the present crisis.

Before Jose Lopez Portillo himself, the prominent businessman Gaston Azcarraga Tamayo reported, on 25 March 1982, that the objective mentioned to him during the previous visit (in March 1979) had been achieved: "to completely integrate the Panamerican University," another institution associated with Opus Dei.

Gaston Azcarraga Tamayo did not leave any doubt about the nature of Opus Dei: "The courses we offer are essentially oriented towards public and private

administration. I stress this, Mr president, because there have already been many persons from the government, from the public sector, who even take high-level management courses, and it gives us great satisfaction to be able to help also with problems relating to public administration.

The concern of Opus Dei with the problems of public administration reached even The Constitutions, a type of statute for the members of Opus Dei.

Article 18 refers to the apostolate of the regular members, which establishes seven duties, among them "sanctify work", "carry out public duties with exemplary faithfulness" and "present to others an example of Christian living".

Although Opus Dei publications have persistently denied that this international organization is the mentor of IPADE, the proofs gathered with the passing of time are irrefutable.

One of these proofs is found in the Public Registry of Civil Organizations.

Regarding this proof, one of the few investigators of the Opus Dei phenomenon in Mexico, Francisco Marquez, maintains that the Panamerican Society for Professional Studies [SPEP] is IPADE's owner. And that "regular and alternate members of Opus Dei, like Carlos Llano, Gilberto Pacheco, Gaston Azcarraga, Fernando Casas, etc., are members of the SPEP."

Marquez even attributes the formation of IPADE to a wish of the founder of Opus Dei.

In his professional capacity, he says:

"The institute was established in 1967, after Father (Pedro) Casciaro visited Mexico—he was in Rome as a solicitor—and he informed the Mexican authorities that the Father wanted a university in Mexico and encouraged them to buy the former Claveria hacienda (IPADE's quarters at the present time) from the Manterola family. A group of Mexican businessmen traveled to Rome to see the Opus Dei founder and have him convince them of his wish: among them—besides Carlos Llano and Alberto Pacheco—were Fernando Casas, Jose Maria Basagoiti, Manuel Senderos, Carlos Gaston Azcarraga, Gutierrez Nieto and a few others, who would become the founders of IPADE, as it is stated in a plaque with the names of the first generation."

The attempts made by Opus Dei to deny their paternity of IPADE are in vain, because it is stated in several registries that the gray eminence of the Mexican Opus Dei, the notorious Alberto Pacheco Escobedo, was elected member of the general council of Opus Dei on 15 September 1975, the same day that Alvaro del Portillo came to occupy the general presidency of the international institution.

But if there were still a doubt, Alvaro del Portillo himself undertook to remove this with his presence at IPADE-Opus Dei on Sunday 22. In spite of the cult of secrecy and passwords that the members of Opus Dei practice so efficiently, it was possible to establish that del Portillo traveled through

the cities where the influence of Opus Dei is the strongest, among them Monterrey, Saltillo, Guadalajara and the Federal District, from where he subsequently set out for Colombia.

Del Portillo travels through Latin America with the purpose of carrying out the wishes of Escriba de Balaguer, who died on 26 June 1975: "I will return and then I will stay," he said.

9907

CSO: 3248/908

CHIAPAS PLAN FOCUSES ON FEDERAL RATHER THAN STATE INTERESTS

Mexico City UNOMASUNO in Spanish 29 May 83 p 7

[Article by Ricardo H. Cavazos Galvan: "Mexico: the Southern Border"]

[Text] Although it is true that our southern border is not precisely coterminous with Chiapas State, it is correct to say that in large part the southern border is identified with that state. Quintana Roo State borders on Belize, but nevertheless, because of ethnic and sociological differences, it would seem that there is no potential problem in that area of the country.

Historically, Chiapas has come to represent an area of contrasts, even including long-standing attitudes about its adhesion as a federal body to the Mexican state. Its previous rulers have expressed a clear "no" to the possibility that at some time in the future there might be some intention of making the state independent of Mexico.

At present Chiapas has come to be one of the states which will have to provide support for the future and the independence of our economic situation. Nevertheless, shortsightedness and a lack of knowledge of our country have tended to put off the complete integration of the state, both socially and economically, with the rest of Mexico.

Nevertheless, it would appear that President Miguel de la Madrid, with the experience which characterizes him in making decisions, has understood the special aspects of the people of Chiapas. Thus, during his recent swing through the southeastern part of the country, he had occasion to hear the views which Governor Absalon Castellanos presented regarding the Chiapas Plan. In this plan the coordinated efforts by the federal government and Chiapas State were clearly described in terms of assistance for specific programs which deal with agricultural and livestock production, with the territorial integration of Chiapas, with public health, with the expansion of educational services, and above all with improving the level of public services, in the sense of minimum welfare levels for a community which has been left behind with respect to the general development level of the country.

In the philosophy underlying the Chiapas Plan there is a line of political action which, because it is one of the first to be accepted by Miguel de la Madrid, is significant and symptomatic regarding the course which the present administration will follow. Considering the substantial resources earmarked for each one of the programs in question, it is only appropriate to recognize the importance assigned to the aspects of the plan related to agricultural

and livestock production, expansion of the educational services, and the decentralization of national life by seeking to integrate certain areas of Chiapas State, like the border towns of Ocosingo, Las Margaritas, Independencia, La Trinitaria, Frontera Comalapa, Amatengo del Valle, Mazapa de Madeto Motozintla, Tapachula, Cachoatlán, Unión Juárez, Tuxtla Chico, Metapa, Frontera Hidalgo, and Suchiate. This is in addition to other towns where some problems of a different kind have arisen recently. In many cases, in addition to reflecting a rash of discontent, these problems have been manipulated by local political bosses who are trying to advance their very personal interests.

It would seem that the federal government, in terms of preparing programs for its activity in this region has approached it with a highly social attitude. The concept of treating certain areas as a region, such as the zones of Centro, Altos, Fronteriza, Fraylesca, Norte, Selva, Sierra, Soconusco, and Istmo-Costa, which correspond respectively to the towns of Tuxtla Gutierrez, San Cristobal de las Casas, Comitán, Villa Flores, Pichucalco, Palenque, Motozintla, Tapachula, and Arriaga as their centers of activity, reflects a need for justice and development which the people of Chiapas have been demanding. These are areas where there have been recent problems--many of which have been artificially stimulated. The people of Chiapas want to be participants in a country which is moving forward as a function of the doctrines of revolutionary nationalism, an egalitarian society, complete democratization, and also--an aspect which is still very important at this time for Chiapas State--the regularization of land tenancy by strictly applying Article 27 of the federal constitution. These are all programs which, essentially, seek the integration of Chiapas State in the national development plan advanced by President de la Madrid.

Judging from the effort made by the country, considered quantitatively in terms of the resources earmarked for this regional development program, it can only be considered a matter of national priority. The Chiapas Plan is made up of 81 programs. Decisions are required on 35 of them in terms of economic and social development, and 27 programs deal with the establishment of an egalitarian society. It is important to appreciate that these two areas account for 90 percent of the resources required by Chiapas State for the present year from the federal government. These are the characteristics and sensitivity of the decisions which are being made in earmarking resources in a joint and coordinated way between the federal and state governments. It provides a good idea of what will become the custom with Miguel de la Madrid.

This leaves only one aspect, which has been mentioned in previous articles. That is the conciliation--the coordination and union--of federal and local interests, particularly due to the fact that the Chiapas area is becoming a frontier with the foreign world. It is not easy to think of Chiapas as a state like the other states, both because of its characteristics and riches in terms of natural resources and the fact that it constitutes our dividing line with regard to other governments which, for various reasons, have not succeeded in integrating the aspects of stability and institutional growth in their countries. Up to now our country has been successful in this respect. This last point is of great importance and is one subject not mentioned in the Chiapas Plan, which has been adopted jointly by the constitutional government of Mexico and the constitutional government of Chiapas State. This is a fact which, however revealing it is, has been omitted from the plan. It would be particularly useful and positive for the national interest to discuss and explain this point.

TEACHERS DEMAND SALARY INCREASE

Chiapas, Oaxaca Teachers Strike

Mexico City EL DIA in Spanish 21 May 83 p 2

[Article by Antonio Mejia, correspondent]

[Text] Oaxaca, Oax., 20 May--More than 50,000 teachers from the states of Oaxaca and Chiapas, gathered in sections 7 and 22 of the SNTE (National Trade Union of Education Workers), held a joint activities strike to demand a solution to the pay situation in that area and in support of there being a resultant salary increase brought about by the National Coordinating Board of Education Workers (CNTE), of which they are affiliates.

Pedro Martínez Noriega, leader of section 22 of SNTE said that the teachers from Oaxaca and Chiapas are also demanding recognition in this strike of the years of service rendered by 3,000 federal teachers, solution of worker problems in normal schools and technical institutes in both bodies, improvement in services ISSSTE (Institute of Social Security and Services for Government Workers) is presently giving, punishment for perpetrators of 30 crimes against and abductions of Oaxacan teachers and the dismissal of the SEP (Secretariat of Public Education) in Chiapas.

He announced that after this joint teachers strike in Oaxaca and Chiapas on the 27th of this month, another nationwide strike will be called by the National Coordinating Board of Education Workers.

SEP Workers Continue Strike

Mexico City EL DIA in Spanish 21 May 83 p 2

[Article by Mario García Rodríguez and Juan Vigueras]

[Text] Acapulco, Gro., 20 May--Completing 15 days on strike, the 8,500 academic and administrative workers from 36 technological institutes in the nation reiterated their demand for a 50 percent increase to the Secretariat of Public Education.

Francisco Rodríguez Barrios, official spokesman in this port for the National Union of Workers Delegations from technological institutes belonging to SNTE

(National Trade Union of Education Workers), when told of the foregoing, said that the strike will not end until their demands are satisfied.

Explaining the sheet of petitions that union representatives submitted on the 4th of this month to SEP, those related to salaries, benefits, damages and promotions were the most urgent.

We are demanding a 50 percent increase in salary because the purchasing power of our salary has been seriously eroded through inflation during recent months in the current year, Rodriguez Barrios stated.

On the other hand, to demand a salary increase of 100 percent and pay retroactive from the 30th, granted by SEP in September of last year, around 10,000 teachers from the Guerrero teaching staff's Central Council of Struggle will halt their activities for a period of 24 hours on the 31st of this month.

On so stating, the leader of the aforementioned organization in this port city, Ramiro Morales Lopez, said the the SEP delegate in Romero Ruiz Armento unit will also be asked to regularize salaries which teachers percieve to be low.

He added that the CCL in Guerrero, along with the National Coordinating Board of Education Workers, will carry out mobilizations in the next 10 days in technical work centers for the purpose of having SEP increase the salaries of teachers in the nation by 100 percent.

"One must remember that the educational authorities promised to announce an increase in basic salaries before Teacher's Day, but the time has gone by and nothing is known about it, for that reason we will stand guard, hold meetings and mobilize to gain our demands," the leader asserted.

On the other hand, Heriberto Calderon Brito, chairman of the Conciliation Board, said that COR (Revolutionary Labor Confederation) today called for a strike for increased salaries for 268 businesses, including 4,096 calls for strikes for a 50 percent salary increase in the main laborer offices in the port city.

Moreover, he revealed that beginning next Monday business meetings between unions and businesses for the purpose of setting up a general national strike scheduled for the 30th of this month, will begin to take shape.

9908

CSC: 3248/851

CTM CALLS FOR 50 PERCENT WAGE INCREASE

Labor Unity Goal

Mexico City EXCELSIOR in Spanish 16 May 83 pp 1, 12

[Article by Angel Soriano]

[Text] The silence maintained by the National Commission on Minimum Wages (CNSM) in relation to salary increases has not only worsened the situation, but has also generated greater discontent among the working class, said the leader of the CTM [Confederation of Mexican Workers], Fidel Velazquez, yesterday.

He indicated that the confederation already called for businesses to strike in demand of a 50 percent emergency increase in order to recover their purchasing power, and if there are organizations that have not done this or that and do not agree to this demand, that's their affair, "since we are not seeking agreement, we do what we think is right."

Velazquez was interviewed following the closing of the National Convention of Stevedores, Customs-House Employees and Longshoremen that took place in the auditorium at the headquarters of the CTM, where the situation faced by the country and the need to maintain the unity of the workers' movement with respect to its institutions and to persist in the struggle for better living conditions were discussed.

In relation to what was said by the leader of the SNTE [National Union of Education Workers], Alberto Miranda Castro, about Fidel being a demagogue because he demands high salary increases, knowing they will not be granted, Velazquez said he was not interested in answering, "since my quarrel is not with the leaders but with the employers."

During the closing session, which took place at 12 o'clock noon, Velazquez was accompanied by the leader of the CTM in Tamaulipas, Pedro Perez Ibarra, and the leader of the stevedores, Jose Maria Cruz.

The director of the CTM stated that he is not aware of any destabilizing movements in the country and that the people who destabilize are those who do not carry out the workers' demands, and "we are concerned about resolving these."

When talking about the problems of the SNTE and about the fact that its leaders have censured those activities, he said that that union organization should beware, and in relation to the CTM he said that they do not face the same kinds of problems that affect the teachers' union.

During his participation in the convention the leader of the CTM criticized the groups interested in creating dissension in the labor movement, and when asked what groups he was referring to, he said that he was talking about the press, which is the one seeking this division, "since its interests conflict with ours."

Salary Demand Implications

Mexico City EXCELSIOR in Spanish 16 May 83 pp 1, 16, 34

[Article by Jaime Contreras]

[Text] Far from fostering social tranquility, "a disproportionate salary request like the one planned by Fidel Velazquez creates an environment that favors runaway inflation, unemployment, insecurity in the productive sector, the large-scale closing of businesses" and an "inevitable" increase in prices, warned Hector Sarmiento, director of the Federal District Employers Center.

For this reason, the private business official pointed out, "we have to eliminate violence—expressed in demands and direct actions--encouraged by angered minorities, minorities pressured by their leaders to act against national interests," thus becoming a "matter of serious concern to the employer sector."

Carlos Mireles, vice president of the National Association of the Processing Industry (CANACINTRA), appealed for understanding and patience regarding wages and labor matters in general, "since only in this way can we get ahead despite this crisis."

If the government grants a large increase, warned Sarmiento, many of the small and medium-size businesses will not be able to include it in their costs; they would have to increase their final prices and/or close their doors, bringing about unemployment. This in turn will cause a critical shortage of consumer goods, which will tend to increase their price.

"Inevitably," he said, "these goods will remain out of reach of the consumers' buying power, since a reduction in purchases brings about an unavoidable and severe economic contraction."

In the face of this none too pleasant prospect, Hector Sarmiento proposed, on behalf of the capital's employers, that for the sake of preserving the availability of the present jobs, "we should raise the real wages and the buying power of the wages generated by productivity, and not increase the nominal wages, which only causes short supplies, expansion of the currency and monetary devaluation."

The director of the Federal District Employers Center called on all the sectors to eliminate the violence displayed by those "angered minorities" and added:

"We all have to dedicate ourselves to the hard work which is the only means that will allow us to overcome this crisis, the worst in our history, and to substitute calmly thought-out and analyzed actions for the demagogic arrogance that serves to undermine the republic's foundations."

Sarmiento reminded Fidel Velazquez in particular that "with each wage increase for labor, a very large sector is impoverished: the workers serving the state, something more than 1.6 million persons."

And even worse, 8 million more Mexicans are harmed: those who have no salaries, the bank employees, people living off pensions, retirement money or money from their investments, whose purchasing power deteriorates to a great extent every time the nominal salaries of the union workers increase, explained Sarmiento.

President de la Madrid, he said, "should have around him, solidly united, the agents of production, with one specific purpose: to increase productivity."

Harmony and Patience

Mireles, CANACINTRA's vice president, urged the labor leaders to take a stand in their home territory and to act harmoniously and with patience "with dialogue replacing violence."

He expressed complete confidence that the strike called by the CTM would not materialize, inasmuch as in CANACINTRA "we are aware that the buying power of labor must be restored, but we also know that we won't reach the desired levels."

"We should not despair about a problem that we should solve together. We have the feeling that there won't be a strike, because at the present time more work is needed, more dedication, and this is a difficult problem that concerns us all."

Afterwards the leader of the processing industrialists said that to the extent to which we participate and agree, we will go on obtaining good results. The truth is that through the first quarter we have respected the agreement with the IMF [International Monetary Fund] and we have confidence that it will continue to be so."

Finally, Mireles said that "we, the industrialists, are aware of the danger that at a given moment prices could shoot upwards, but also it should be understood that there are productive sectors that have been punished for many years"; in spite of all this, "logically, we will not accomplish anything with violence, and for this reason we ask for harmony, patience and understanding among all the sectors."

DECENTRALIZATION SEEN AS KEY TO HALT MEXICO CITY GROWTH

Monterrey EL NORTE in Spanish 4 Jun 83 p 4

[Commentary by Alfredo Farrugia Reed]

[Text] To date it appears that there are only two metropolitan areas with a population larger than that of Mexico City. In first place is New York, with 20.4 million inhabitants in 1980, and then Tokyo with 20.2. The same year Mexico City had 15 million.

Both New York and Tokyo are cities on the seacoast, both belong to highly industrialized countries with ample resources and enough financial capacity to absorb population growth and decide problems of extreme urban development.

The capital of the Mexican Republic is very far from the sea, at an altitude of 2,250 meters, lacks water, has few natural resources and is the most congested city in a developing country.

Mexico City lacks the essential financial means of deciding the problems of urban development which excessive growth has been causing for some time.

This year, 1983, Mexico City will probably be first in population and its inhabitants are experiencing awful traffic jams, great difficulties boarding a bus, and terrible accidents, which occur at peak hours have been recorded at the Metro [subway] stations.

And the population keeps growing at a faster rate than all the populations and cities in the republic! During the last decade, the annual national population growth rate was 3.3 per cent, while that of Mexico City was 4.4 per cent. It is estimated that the city receives 2,000 new permanent residents daily.

If the present situation in the capital of the republic is dramatic, by the year 2,000, i.e., within a scant 17 years, it is hard to imagine what will happen.

The population of the Valley of Mexico will exceed 35 million inhabitants. Twelve million vehicles, five times more than today, will try to drive along

its streets and avenues, and the public services will not guarantee the health of the capital's inhabitants.

We are all very worried over the economic crisis. Inflation is weighing us down and the burden of taxes and taxation is impoverishing the long-suffering inhabitants of Mexico City.

But the threat that these conditions will prevail in the year 2,000 makes the current scene look pale by comparison. And what are our authorities doing to prevent the impending catastrophe?

They are not doing anything, nor can they do anything, because all the money they are collecting in stratospheric amounts, since this year's budget of expenditures amounts to more than 7 billion pesos, is earmarked for the support of a civil service disproportionate to the population of the republic, as well as those thousand companies the government owns, which last year led to a deficit of 2 billion pesos.

It is essential for all of us to realize fully what this means. We are all in the same boat. If Mexico City becomes uninhabitable, if its growth causes disturbances and chaos, all Mexicans will suffer the consequences, since the capital of the republic is the brain and nerve center of the nation.

It is essential to start as of today to decentralize the economic activity of Mexico, for which it is necessary to remove from the Valley of Mexico all those companies, both government as well as private, which may operate in other regions. The government offices which do not justify their location in the capital must be located as far away as possible.

This reminds me that a few years ago the Banco Nacional de México [National Bank of Mexico] which was a private institution, announced that its main offices would be located in the State of Querétaro, in Jurica.

It seems that a few buildings were started and that the project was completely finished. Now, with the bank nationalized, this project has been dropped and those lots are being put up for sale.

I think that since the bank is wholly the property of the federal government, it could be the best instrument for decentralization in the hands of the highest authorities, who can harness the vast credit potential of each and every one of its institutions, locating its head offices in provincial cities in order to provide maximum credit facilities to these regions.

Each Bank could be a center of attraction for private investment, both national and foreign. At the same time, the federal offices could be decentralized and above all, the government could get rid of the companies it owns, and which, owing to their commercial nature, i.e., because they are essentially businesses, should not be managed by politicians or advisors.

These companies are the cause of our crisis and inflation will not decrease or work itself out as long as the government is the biggest and most powerful businessman in Mexico.

12448

CSO: 3248/943

UNAG OFFICIAL STRESSES NEED TO INCREASE GRAIN PRODUCTION

Managua EL NUEVO DIARIO in Spanish 11 May 83 pp 1, 8

[Text] According to an analysis made yesterday by the president of the National Union of Farmers and Stockbreeders (UNAG), Wilberto Lara, the constant aggression, harassment and blockades unleashed by the Reagan administration and spearheaded by the Somozist guards, have affected production goals, especially in essential grains in the military emergency zone in the north.

Lara, in exclusive statements to EL NUEVO DIARIO, pointed out that the growers who are most affected by the present war situation are those in the emergency zone, where counterrevolutionary bands proliferate, "since the peasants have to combine the two tasks: planting the crops and at the same time defending them, which logically has an influence on production goals."

Lara reasserted that because it is the strongest organization of growers in Nicaragua, UNAG has the historic responsibility of growing essential grains, "above all during these times in which another imperialist aggression has struck, such as the reduction of the sugar quota.

"For this reason we see that the sector hardest hit by the counterrevolutionary bands are the peasants, direct victims of murders, beheadings and kidnappings. When they find them working, they murder them and then they burn their machinery," Lara said.

Non-Affected Zones Have To Triple Efforts

Referring to the planting of the essential grain crops, which starts with the arrival of winter, Lara stated that the areas not affected by the criminal actions of the counterrevolutionaries have to triple their efforts, as a support to the growers who are mobilized, integrated into defense, who naturally have to lower their production goals.

"We have to make extraordinary efforts," Lara said, "to cover the production goals, for which reason we are making a patriotic call to all the economic sectors of the country to use our resources to the maximum, to the institutions

"of the state for them to activate duties and to the peasants so that they will work to their fullest capacity."

Overcoming Bureaucracy

Lara added that the institutions of the state which are tied to production must be fully prepared to carry out an adequate distribution of machinery in the areas fit for mechanization.

"PROAGRO must supply input more readily, overcoming bureaucracy, since we know that in some areas their warehouses are full of fertilizers--because supposedly they are carrying out inventory--when at this stage the input should already be in the countryside," Lara stated.

He pointed out that it is necessary to activate the mechanisms of government proceedings in workable zones and to achieve better decentralization of the state institutions responsible for offering technical assistance, machinery and input.

"If all efforts are not combined," Lara exclaimed, "including those of the revolutionary state as well as UNAG, it will become harder to fulfill production goals."

Lara noted that efforts must be intensified to strengthen the productive zones that are affected by the actions of the counterrevolutionaries and to contribute to the defense of the fatherland and national sovereignty.

Lastly Lara referred to financing, stating that there is no problem for growing essential grains and that the Law of Agricultural and Livestock Registrations is not a requirement in these categories.

Fields Await First Heavy Shower

Erick Gonzalez, UNAG member, reported that the fields for the most part are mechanized and ploughed and that they are only awaiting the first heavy shower to start planting.

Gonzalez said that in most of the regions the growers have prepared their fields and there have not been major problems.

Strong Preparedness in the Northern Zone

Gonzales disclosed that in the first special region (emergency zone) there is a great preparedness and capacity on the part of the growers, despite the constant aggression from the counterrevolutionary bands. "At this stage in Las Bogas and Las Mercedes, 20 km from Jalapa, the Somozist ex-guards have burned four tractors, property of the cooperatives and kidnapped two mechanics," he reported. "But the cooperatives have formed self-defense squads for the crops, where they are preparing to confront the enemy with a big defensive capability," Gonzalez concluded.

9545

CSO: 3248/868

BRIEFS

CORN PRODUCTION—The revolutionary government through the National Food Program of the Ministry of Agricultural and Livestock Development and Agrarian Reform (MIDINRA) has programmed for the 1983/84 agricultural cycle planting 300,000 manzanas of corn for an estimated production of 5,900,000 quintals. Seventy percent, 202,622 manzanas, will correspond to planting in the first stage to obtain 3,900,000 quintals. Fifty-six thousand manzanas will be planted in the last stage to produce 1,493,000 quintals and 42,000 manzanas in mid-stage for 550,000 quintals. Average yields in each stage will be: First 19 quintals, final 26 and middle 13. Total planting area includes 10,000 manzanas for irrigation in Western Region 2 (Leon and Chinandega) with an average yield of 60 quintals per manzana, for total production of 600,000 manzanas. A series of measures will be implemented within the national plan for food production, including good utilization of land, since belief is corn production must be framed in agro-ecologically suitable zones, prioritizing 37 percent of areas nationally and concentrating efforts in cooperative development areas or zones already established by the General Administration of Agrarian Reform. [Excerpt] [Managua BARRICADA in Spanish 17 May 83 p 12] 9545

CSO: 3248/868

CHURCH HIERARCHY CALLS FOR POLITICAL OPENING, AMNESTY

Archbishop Issues Statement

Asuncion ABC COLOR in Spanish 4 Jun 83 p 9

[Text] Yesterday Monsignor Ismael Rolon, Archbishop of Asuncion, emphasized the need to unite in order to deal with the permanent settlement of flood victims, the reconstruction of flooded towns and the reactivation of industry. livestock raising and agriculture. According to Monsignor Rolon, this process must guide everyone to a spiritual conversion and a reconciliation with God and man. In order to accomplish this, certain requisites, expressed in the following and other questions, must be met: "Might this not be the time for the reunion of all Paraguayans, for a political opening toward amnesty for all fellow citizens of good will?"

In his second statement on the flood, part of a series entitled "Examining Events," the archbishop analyzed three basic points: unity, the future and reconciliation.

Regarding unity he said, "We said previously that God usually communicates with man and speaks with him through public and private events as well. His motive is always LOVE. It is our duty to understand this and respond to Him. We read in Exodus 3-1/6 that Moses, leader and liberator of Israel, received his mission from Yahweh through a burning bush that never died out."

Returning to our current circumstances, during efforts to help the victims no one, with few but inevitable exceptions, was concerned with his particular interests. No one was concerned with where his contributions of money, clothing, food or medicines were going to end up. Nor did anyone check to see whether the victim was Paraguayan or not. They were brothers in misfortune!

Such a demonstration of unity and participation also occurred 50 years ago when another catastrophe fell upon the fatherland: the Chaco War. The endangered fatherland gave rise to a fresh, spontaneous, voluntary explosion of solidarity and cooperation at the battle front and in the rear guard, and united, we saved the honor and integrity of the fatherland. In our days, we are no longer struggling against men, but against the unleashed forces of nature...and once again, united we shall conquer."

"When the Waters Return to Their Riverbed"

Later, the archbishop spoke of the future of the country, saying that assistance is urgently needed, "but it is also necessary to lift up our eyes and turn them toward the future. When the troubled waters return to their riverbed, when the mud-covered roads and fields reappear, when the demolished or half-demolished houses emerge from among the water plants, but no longer offer safety or shelter, what will we, the government, the Church, the citizens have learned from such difficult lessons? What heroic decisions will we take as a community to make the sun shine again?"

Then Monsignor Rolon stressed three requirements this future will hold: "The need to urgently find the technical means for the permanent settlement of our brothers, who are subject to immeasurable suffering due to the periodic flooding; the imperative need to rebuild flooded towns, which includes rebuilding houses, squares, roads; and the need to reactivate industry, livestock raising, agriculture, the arts..."

"Along with reconstruction, it is necessary and perhaps a priority for citizens who were victims to recover their hope, their will to overcome, their optimism and energy, through the spiritual, moral and economic support of all the nation's promotional institutions."

Time for Amnesty?

The archbishop mentioned the following as a requisite for the future: "This gigantic, patriotic, Christian endeavor will only be possible if all Paraguayans who love their fatherland are united. It requires the powerful, joint action of men and institutions of good will. We ask ourselves, might this not be the time for God, for the reunion of all Paraguayans, for a political opening toward amnesty for all fellow citizens of good will, for the healthy ideals of fatherland and family, for authentic patriotism? The fatherland is in need, now more than ever, of the united forces of all its children. That is, its intellectuals, professionals, technicians and artists, in order to recover from its suffering. United we will be stronger and more effective. This harmony should be lasting, robust and indestructible."

He concluded his message by saying that the Holy Year urges us toward spiritual conversion and reconciliation with God and Man..."In the year 2000 the inhabitants of Earth will celebrate the next Holy Year....By that time it will be impossible for the fatherland not to have overcome its difficulties and for its children not to be living in freedom and peace."

Bishop Expresses Solidarity

Asuncion ABC COLOR in Spanish 3 Jun 83 p 10

[Text] Monsignor Claudio Slivero, bishop of Coronel Oviedo, aligned himself completely yesterday with the position taken by Monsignor Ismael Rolon, archbishop of Asuncion, concerning the possibility that the floods are "signs"

from God. "There are people with an interest in maintaining a state of affairs, who do not want the truth to be told," said the bishop.

He later explained that it was understandable that not everyone could feel what the archbishop of Asuncion was feeling in his heart as a pastor.

"So it is not strange that people with different ideas might think, to the contrary, that the Church does not have a clear voice at this time," he said.

When commenting that he agreed completely with the archbishop of Asuncion, and that in his diocese as well, special prayers and offerings were being made for the end of this calamity, he stated that Monsignor Ismael Rolon's statement had been felt deeply in the hearts of the simple people in the interior of the country.

"It is in no way the voice of an alarmist. It is the point of view of a great pastor," he said. "There are people who have an interest in maintaining a state of affairs, who do not wish the truth to be told. But the truth is being felt personally every day. We know very well that there is institutionalized corruption, that even people's consciences have been corrupted. that there is no true freedom. In the face of the facts presented to us, the Church, as mother and teacher, shares fully the anxieties, aspirations and needs of her children. We must tell the truth. This coincides somewhat with the motto we have chosen for our campaign for the victims, which is 'the time for truth,'" he added.

"There are cases of wrongly obtained wealth, and there are climbers, to use a slang expression, who climb their way up and wreak havoc. It won't be so strange if tomorrow our poor, who suffer so unjustly, calmly turn against others who are poorer still."

"Our Church has matured considerably. It has travelled a long way and has fully undertaken its mission. Naturally, we will not waver in this," he concluded.

He had a final thought on the Pope's future visit to Paraguay: "It is going to be a blessing and it is going to confirm our love of the Virgin Mary."

12351

CSO: 3348/459

BRIEFS

AIR FORCE INVENTORY--Republic of Paraguay. The forces of the "Paraguayan Air Force" are limited and engaged specifically on COIN missions. These are the aircraft in service: 9 EMB-236; 15 AT-6; Aerotec T-23; 8 Fokker S.11; 1 MS.760 Paris; 10 T-6; 1 C-131; 1 DHC-3 Otter; 1 DHC-6 Twin Otter; 15 Douglas C-47; 2 Douglas C-54; 5 DC-6; 14 Bell H-13; and 3 Hiller 12E. The fight against drug trafficking is being carried out along with the previously mentioned anti-guerrilla warfare. These are the main functions to be developed by the small air force under discussion. Currently, Brazil is the main supplier of air materiel, and some Bandeirante units will probably be purchased. [Text] [Bonn TECNOLOGIA MILITAR in Spanish May 83 p 24] 12351

NEW WARSHIP--Brazil has signed a contract to build the IATUPU river patrol boat, capable of navigating in rivers, with an 88cm draft and a 220 ton displacement. It has a maximum speed of 13 knots, an operating range of up to 5,000 miles and a cruising range of 30 days. It carries a 40mm BEFORS gun, 2 81mm mortars and 6 machine guns. It also has a helicopter pad. The patrol boat will be sold to the armed forces of Paraguay. [Text] [Bonn TECNOLOGIA MILITAR in Spanish May 83 p 100] 12351

CSO: 3348/459

HOUSE WANTS POLITICAL PARTIES IN INTEGRITY LEGISLATION

Port-of-Spain TRINIDAD GUARDIAN in English 30 May 83 p 1

[Article by Compton Delph: "Call for Inclusion of Political Parties in Integrity Legislation"]

[Text]

SCARBOROUGH:

ANY legislation on integrity in public life should include political parties and their most senior officials. Such legislation should also cover the President of the Republic.

This is the view of the Finance and General Purposes Committee of the Tobago House of Assembly which, at a meeting on Thursday, started debate on the Committee's report.

Dr. Jeff Davidson, Deputy Chairman of the Assembly, in moving a motion for the adoption of the report, recalled what he described as a "celebrated case" of a political party receiving "a donation of a very large sum of money" from a foreign company which had applied for a government contract.

He did not name the party, nor did he give details of the "gift," but said that the case was well known to the country.

He said, too, that it was the feeling of the Assembly that government ministers who go abroad on government business and receive gifts should turn such gifts over to the State once their value exceeded a fixed value.

Such gifts, said Dr. Davidson, are made because the people to whom they are made hold key state positions. "It is either they turn them over to the State or refuse them entirely."

The committee reported that "a realistic approach to integrity in public life must be based on a climate of integrity in which laws are seen to be respected and implemented in an impartial manner."

Specific measures, it recommended, should include (a) the formulation of a code of conduct for persons in public life; (b) a criminal

code, and (c) machinery to enforce the code.

In presenting the report, Dr. Davidson said that at the moment, as far as legislative provisions are concerned, the Prevention of Corruption Ordinance is the chief instrument for the promotion of integrity in public life in Trinidad and Tobago.

However, he said, the Committee felt that the existing law is inadequate in that definitions regarding the persons to be caught in its provisions need to be clarified, and the provisions need to be extended to include other acts that may be deemed corrupt acts.

GIFTS AND DONATIONS

"Provisions should be made to include political parties and the most senior officials of these parties, especially in so far as the receipt of gifts and donations are concerned," said Dr. Davidson.

The Integrity Commission Act as proposed should be recognised as mere machinery to assist the Prevention of Corruption Act now on the statute books.

The proposed legislation, said Dr. Davidson, cannot guarantee integrity in public life. "The mere declaration of one's assets can in no way produce integrity in public life," he said.

What was needed to instill such integrity, he said, was "confidence in government and institutions of government."

"There is need to eradicate this widespread feeling that whatever is done would come to nought, as there is no confidence in the persons who are to administer the law," he said. - "Nothing has been done by the

present government to give the people of Trinidad and Tobago the impression that they intend to attack the problem of corruption which exists today," said Dr. Davidson.

Later, Mr. Hochoy Charles, Leader of the Assembly Business, also supported the recommendation that the President be covered by any legislation for the declaration of assets.

But he went further. He said that the President should not wait for legislation, but should set the example now by making a voluntary declaration.

Mr. Charles attacked the extremely wide scope of the proposed legislation in respect of the persons who are to make declarations and said that in this respect, "it was a mischievous piece of legislation."

"It was deliberately done so that people would get up and say they don't want it and then the government would turn around and say the people don't want integrity in public life," charged Mr. Charles.

"Innocent people can be destroyed by this bit of legislation," he said, and asked why should people like teachers and librarians, and even people in the Management-Development Centre have to declare assets.

The Government, he said, if it is serious about integrity, must take action upon cases of corruption of now before the country. And one way to prove it was serious, was for the Government to appoint a commission of inquiry into the widespread reports of corruption in public life today.

Debate on the motion was adjourned to a date to be fixed.

ISSUE OF LOCAL GOVERNMENT ELECTIONS HEATS UP

Call for Schedule

Port-of-Spain TRINIDAD GUARDIAN in English 20 May 83 p 6

[Text]

SAN FERNANDO:

FORMER COUNCILLOR
Latchman Seecharan of the Victoria County Council has called on the Government to set a date for local Government elections.

Mr Seecharan said that because of the present situation, especially with respect to financing, "serious problems can arise".

He explained that under normal circumstances, local government bodies would have been expected under Act 2 of 1967, to prepare draft estimates to be presented to their respective councils, in the case of the municipalities by their Town Clerks, by the county councils the Chief Administrative Officers (CAO).

He argued that with the dissolution of the local government bodies a month ago, there were no bodies to which Town Clerks or CAO might present draft estimates for study, approval and supervision to the Minister of Local

Government for inclusion in the next year's budget.

Mr Seecharan said that although almost five months have gone the government had made absolutely no releases whatever for the year if we are in no position to present estimates in the normal course of things for 1984, what will be the position?" he asked.

UNTOLD HARDSHIP

He said that the absence of releases had led to untold hardship because of "mass unemployment, frustration and mounting dissension throughout the country."

He feared that unless a date was set immediately for the local government elections, and the people once again were given the right to be represented on those bodies, "our position can become extremely chaotic."

Minister Under Fire

Port-of-Spain TRINIDAD GUARDIAN in English 23 May 83 p 13

[Article by John Alleyne: "Call Upon Minister of Local Government To Resign"]

[Text]

AT MIDNIGHT on Wednesday, April 20, the San Fernando Borough Council, like the Port-of-Spain City Council, the Arima Borough Council and all the County Councils ceased to function as such, because their three-year-old term of office expired. The Point Fortin Borough Council, the nation's newest Borough Council folded up one week later.

Disaolution of these councils followed the failure on the part of the competent authority to set a date for local government elections even before the three-year term expired and indeed up to the time of writing.

The dissolution has put an end in San Fernando to 31 years of uninterrupted Borough Council activities.

The Port-of-Spain City council as we know it today, underwent several changes from the days when Trinidad was ruled by Ferdinand and Isabella of Spain, from the Cabildo to the Town Council, before it finally was proclaimed as the Port-of-Spain City Council. The San Fernando Corporation was established by an Act of Parliament, firstly as a Borough in 1846 and then as a municipality in 1853. It continued to function as such without any break whatever until April 21, this year.

Opposition parliamentarians would probably say that only the People's National Movement (PNM) could have tarnished such an enviable and unblemished record of municipal service. There is no doubt that the unfortunate situation in which the people of San Fernando

are denied the right of municipal representation, I dare say even as badly as that provided by the members recently ousted, is something to be strongly abhorred.

What must be even more strong, condemned is the apparent lack of will among the one-time enterprising, forward thinking and vociferous townfolk, to even raise a single finger in objection. That is, of course except the Borough Action Team (BAT).

Not even the political parties that soon would seek the suffrage of the burgesses have uttered a word about the historic development. Credit, however, must be given to former Councillor Latchman Secheran of the Victoria County Council and his colleague, ex-councillor Abdool Aziz, for their consistent references to what they believe are irregularities taking place.

BLAMEWORTHY

While it probably is not too difficult to determine where exactly blame should rest, the Minister of Local Government and Community Development, Dr. Cuthbert Joseph, should be called upon to resign because his Ministry, responsible for getting the election machinery in gear and moving in time to meet the three-year-term of office, has beyond doubt failed miserably to discharge its responsibility.

Of course, opposition parliamentarians would say that such a thing would happen in the British Parliament, where it can be seen that a particular Ministry was in fact negligent in the discharge of responsibility to the people. The Falklands war an instance. But no such thing is likely under the PNM.

Some years ago, when the PNM leaders felt the cost of elections, was too steep and serious thought should have been given to the system then in operation, in which the

San Fernando, Port-of-Spain, and Arima municipalities held election annually and the county councils every three years (there was no Point Fortin Borough Council at that time) they argued that it seemed requisite that as local government bodies the elections for all councils should be streamlined. The then principal opposition parties agreed to a moratorium. The moratorium lasted more than five years and all members of all councils then in service continued in office. Bad as that might have been, the people had some form of representation on the various municipalities and county councils, so much unlike the position today.

While many people in San Fernando have openly found with the efficiency or lack of efficiency of the Borough Council and the poor representation of the "last 12", their continued presence would have been better than nothing at all. But the \$1,000,000 question is to quote calypsonian King Austin "how long will it last?"

ROCK TO ROCK

As the PNM takes its own time in writing its election manifesto and organising its convention, the San Fernando Borough Council all but flounders from rock to rock like a ship without a rudder.

Two or three weeks ago, by statute, the Council as such drew certain debentures on a \$500,000 loan raised on the open market in 1948 for improvement of the San Fernando electric works.

NATIONAL ALLIANCE SEEKS CHANGES IN PARLIAMENT

Plan To Halt Harassment

Port-of-Spain TRINIDAD GUARDIAN in English 19 May 83 p 3

[Text]

EXECUTIVE and Opposition parliamentarians of the National Alliance have drafted a plan of action to prevent further frustration and continued alleged harassment of the Opposition in the House of Representatives.

The Alliance executive and its parliamentarians met in emergency session on Monday night in San Fernando and agreed to the submission of proposals for the amendment to the Standing Orders of the House to allow Opposition members to perform their functions in an independent Parliament promoting democracy in the country.

Opposition Leader Basdeo Panday said the proposals may lead to a complete repeal of the existing Standing Orders which were formulated in the pre-Independence period.

The Alliance plan of action also calls for the following:

- The filing of several motions in the House challenging the rulings of the Speaker and exposing his "bias and partiality".

- The re-arrangement of the seating of the Opposition to facilitate easy consultation during debate since no caucus room has been provided for the Opposition.

- The continuation of protest action both inside and outside Parliament.

In a statement the Alliance accused Speaker Matthew Ramcharan of "continuing harassment".

Call for More Committees

Port-of-Spain TRINIDAD GUARDIAN in English 1 Jun 83 p 3

[Text]

SAN FERNANDO:

THE NATIONAL Alliance is calling for the establishment of many more Standing Committees in the House of Representatives.

Opposition Leader Rep. Basdeo Panday said yesterday, that he has submitted proposals to the effect to the Speaker together with a motion which should come up for debate shortly.

He said the time was long overdue for amendments to the Standing Orders — the last amendments being made some 20 years ago.

A complete revision is what is

needed to include the establishment of more Standing Committees such as one on foreign relations, Government spending, public utilities and public enterprises.

The number of committees must be increased in order to have Proper and more effective supervision of the work of the Government through Parliament, Mr Panday stated.

He has already stated that the Speaker should come from within the House. He said he believes that the elected representatives should be the ones to appoint the Speaker since they were placed in Parliament by the people of the country.

CSO: 3298/685

REPORTAGE ON DEVELOPMENTS CONCERNING TOBAGO

Home for Civil Servants

Port-of-Spain TRINIDAD GUARDIAN in English 20 May 83 p 15

[Text]

GOVERNMENT is to put up a \$6 million pre-fabricated building at Smithfield estate to provide office accommodation for its Central Administrative Services in Tobago (CAST).

Construction should have started this year, but according to Mr. Horace Bailey, Permanent Secretary, who heads CAST, other development projects, such as the construction of the Claude Noel Highway and there development of lower Scarborough took priority.

However, it is hoped that funds for the building would be in next year's development budget and work should start early in 1984.

Civil servants in many departments in Tobago now work under cramped conditions as the building occupied by CAST is shared by the Ministry of Labour, Elections and Boundaries, the Inland Revenue Department and others.

All these departments will find accommodation in the new building, said Mr. Bailey, with probably an office, too, for the Ombudsman.

Lack of proper office accommodation, according to the Permanent Secretary, has plagued CAST since it was established two years ago with the advent of the Tobago House of Assembly Act.

FIRST PRIORITY

The Tobago House of Assembly Act, Section 59, states specifically: "Functions relating to the public administration of Tobago, and not

by this Act made the responsibility of the Assembly, remain to be exercised by the Government and should so be exercised through a department, the most senior post in which shall be in the rank and status not less than that of Permanent Secretary and the holder of that post shall be responsible to the Minister."

When CAST was created Deputy Director of Personnel Administration, Mr Bailey, was transferred to Tobago as Permanent Secretary to take charge.

"At the time," he explained, "our first priority was to assist in getting the Tobago House of Assembly operationally effective."

"This we did and then concentrated on our own requirements in areas such as staff, etc."

In the end, CAST found itself sorely in need of not only staff but office accommodation. "Accommodation for civil servants in all departments was not up to standard," said Mr. Bailey.

To tackle the problem, a team of public officers, comprising administrative officers, engineers and technicians, under the chairmanship of Mr. Ashton Beckles, Senior Planning Officer of CAST, was appointed to do a survey of all public service office accommodation in Tobago.

The short-term result of that investigation was that such office accommodation that existed had to be brought up to standard.

The new building will not only provide that much-needed office accommodation, but according to Mr. Bailey, it will also save money for the Government.

Assembly Deliberations

Port-of-Spain TRINIDAD GUARDIAN in English 26 May 83 p 3

[Text]

SCARBOROUGH:

A MOTION criticising conditions at the Scarborough General Hospital is among six on the Order Paper for the monthly meeting for the Tobago House of Assembly to be held this afternoon.

The motion is in the name of Councillor Dr. J.D. Elder who was a patient for about two months last year at the institution.

The surgical ward, states the motion, is in bad physical disrepair with window louvres broken, letting in the rain day and night.

The medical equipment at the institution, the motion continues, is antiquated and suffers frequent breakdowns while the dressing room is poorly ventilated endangering the health and comforts of nursing staff.

It states that the entrances to the wards are open to patients from the psychiatric ward; there is no decent rest room for nurses and the kitchenette is poorly equipped.

The motion finally asks the Assembly to call on the authorities concerned to take immediate steps

to abate the undesirable situation and also urges the Assembly to organise a tour of the hospital to emphasise the need of remedial action.

PNM Assembly man Stanford Callender is to move a motion calling for the establishment of appropriate consultation machinery for the smoother resolution of any differences which may arise in the administration of the Assembly.

Mr. Hochoy Charles, leader of the Assembly, is to move a motion expressing concern over the continuing failure of the relevant authorities to meet the essential staffing needs of the Assembly.

The Assembly has been complaining of inadequate staff since its inception two years ago. One direct result of this, it is claimed, is that payment of staff has been frequently late and a motion on today's Order Paper by Assemblyman Regis Caruth, asks the Assembly to note the appointment of a monitoring committee to resolve the problems of late pay.

Push for Sports Facility

Port-of-Spain TRINIDAD GUARDIAN in English 1 Jun 83 p 34

[Excerpt] One of the top priorities of a Tobago Sports Council would be to plan and initiate programmes for the improvement and expansion of playing facilities in all parts of the island.

This was stressed in a paper on the "Rationale for Tobago Sports Council" which was read by Mrs Estlyn Bacchus at the May 21 conference on sport, at which the decision was taken to form a Sports Council.

The conference which was attended by a wide cross-section of representatives of sports organisations in the island, was an all-day affair at the Mt. Irvine Bay Hotel.

A committee appointed to draft a constitution for the Council will report in two weeks.

According to the paper by Mrs. Bacchus, Tobago suffers an acute shortage of sporting facilities and until there is an improvement, it is felt that the Council will be in a better position to ensure that the available facilities are "utilised for the greatest benefit to the largest numbers."

Other points stressed by Mrs Bacchus in her presentation were:

"It can be the agency which guarantees that available funds from government agencies are disbursed in a fair and equitable manner among the existing organisations and can serve as a (catalyst) for increased response, especially from the private sector and the sporting public.

"The Sports Council should have a comprehensive view of the general sporting scene and should be able to make recommendations and initiate programmes which will benefit (a) the individual sport (b) Tobago sport as a whole. Its structure would also ensure that there is a coordinated programme at both the community and regional levels.

"The Council can act in an advisory capacity to any organisation which needs its assistance, can organise programmes in administration etc. for interested individual can monitor the functioning of the various organisations under its ambit.

"It can provide a forum for the discussion and possible solution of individual and common problems and serve as a rallying part for groups with common grouses.

"If the Tobago Sports Council represents the major sporting organisations in the island, it should have more "weights" than individual organisations in its relation with governmental agencies, business interests, national bodies, etc.

"It can act as an arbitrator and/or final body of appeal in conflicts between or among rival groups.

CSO: 3298/686

GUARDIAN ASSAILS CHAMBERS, GOVERNMENT INACTION

Call for Action

Port-of-Spain SUNDAY GUARDIAN in English 29 May 83 p 1

[Editorial: "Government Must Start Making Decisions"]

[Text]

SOMEBODY, something, somewhere, somehow has to be responsible for the paralysis which seems to have stricken the prodigal sons of a patronising parent who departed this world leaving them to inherit the great falsehood that money is not a problem.

If it is not mental paralysis, then is it simply a lack of national awareness or a callous disregard for public responsibility or, perhaps, the perennial electioneering which has become part of the sub-culture of this land?

For how else can any government be so insensitive and indifferent to the voice of a people pleading on their knees to arrest the sudden slide downhill which has overtaken this country? As we head downwards, jobs are falling out everywhere, equipment is being parked idle, companies are barely trading, liquidity is declining, foreign exchange is being depleted and as a result, the stock market has begun to show signs of disaster.

Yet, this Government, with all its well cultivated arrogance and omniscience, insists that it will act only when it is good and ready. In compounding its already disordered priorities, the Government remains preoccupied with million-dollar conferences at home, talkshops in Geneva, Belgrade, Columbia and wherever else officials could abandon the important talks on Texaco, Tesoro, Amoco and tax to go off on

trips. It reminds us of the time when the last Attorney-General, Selwyn Richardson, was closing in on a certain corruption case and was promptly sent on a world tour!

PUBLIC FUNDS

The Parliamentary Opposition on the other hand preoccupies itself with putting Mr. Speaker on the public pillory. And the country remains the willing victim with no redress. Our Neros fiddle while home burns!

Does this Government not understand that in a country which has become chronically dependant on its petroleum resources, the entire system is in jeopardy when something goes wrong with oil? Is it not simple enough to see that not only foreign oil companies are involved but that local oil companies acquired with public funds, local drilling contractors and ancillary services, suppliers, fabricators, boat services, sailors, helicopters, pilots, divers, tank-builders and the lot are in jeopardy?

Banks which are now locally owned and quoted on the Stock Exchange are carrying hundreds of millions of dollars inventory so that even the Stock Exchange is now threatened.

If the United States of America is at the moment debating the trigger implications of this issue, why are we in Trinidad not doing so? Is it that the

Government is awaiting another crisis precipitated by one or other of the radical groups before being coerced into decision and action, or is it once more the usual Machiavellian rubbish, "timing, my boy, timing?"

Please gentlemen, please! Oil prices are depressed and this we know. But our oil production is also down. Why? Because no one explores if a government takes all and more and leaves him in a loss position. Our country therefore has nothing to sell, no foreign exchange to earn, no money to develop, or, indeed, even to meet the recurrent expenditure required to maintain the current administration.

GENIUS LEADERSHIP

What we have are a lot of penal taxing statutes designed to extort revenue from oil which is just not there because it is just not being explored and produced because of those very statutes. And yet our genius leadership either pretends not to understand the problem or are terrified of the screams which may come from the mecca of business acumen — the university and the unions — who never have anything to show for all their pseudo-intellectual solutions to our problems.

Many of those in the decision-making process may continue to feel that Trinidad is lucky and we shall overcome. Not so this time. The economy of this country is on a swift decline with all the social and international implications. OPEC did not make it so. We made it so by our own mismanagement.

Now there is plenty of rhetoric about incentives, export and earning foreign exchange. But still there is no new activity because there is plenty of bureaucracy and, indeed, plenty of government with no decision-making. The Government must act swiftly to avoid a catastrophe or let someone else do the job.

Port-of-Spain TRINIDAD GUARDIAN in English 31 May 83 p 1

[Editorial: "Time To Step Out Mr Chambers"]

[Text]

LABOUR Minister Errol Mahabir has not gone to Geneva and obviously, he had not intended to go. Instead, he will be with us to continue to overcome the current crisis of which he seems to be well in command, particularly as the Minister is not only well known for his thorough and efficient handling of some of this country's most difficult situations but because he is one of our few representatives in Parliament who does not usually have his priorities disordered.

If we have been mistaken, Mr Minister, please understand that we could not be expected to have arbitrarily disbelieved the Honourable Minister of Information Miss Green. Perhaps she could learn a thing or two from you.

However, in focusing on the importance of the role of the Minister of Labour in our current crisis, we seem to have overlooked one important question: The Minister is the Chairman of the very important Finance and Economics Committee and is also Chairman of the Inter-Ministerial Committees reviewing such matters as the Supplementary Petroleum Tax, the future of Texaco and Tesoro and certain other matters that are not within the portfolio of the Ministry of Labour.

But, however well he may expedite the work of his team - and recent events and announcements confirm that he and his team have not been dilatory in their endeavours - do the final decisions on these issues rest with him and his team?

It seems not. Take the Supplementary Petroleum Tax for example. If relief is to be granted, there is no need to go to Parliament for debate or removal of such taxes.

Indeed, the taxes need not be removed at all in order to grant relief. For ease and swiftness of administration, the legislation provides for the quantum of such taxes to be varied upwards or downwards (as circumstances dictate) by the order of the Minister of Finance.

Surely, herein lies the final responsibility, decision and implementation which this country awaits.

It would seem that the stalwart performances of the Labour Minister have unwittingly beclouded the issue and hidden the role and responsibilities of the Minister of Finance from public scrutiny.

Nay, it seems that the public has been made to forget that the Minister of Finance and the Prime Minister are one and the same person.

In any crisis the captain of the team must set the example and save the day. He must not hide behind the ability of one or other of his teammates. Indeed, he must come out of his crease and hit the ball.

The country needs runs to avoid being routed.

We hailed you Mr. Chambers when you took over the captaincy and we were charmed by your unflappability, candour and humility. But now there is no need to resort to such a display of arrogance, so please come out and play the ball with the middle of the bat.

UNIONS AT ODDS WITH COMPANIES; MORE LAYOFFS REPORTED

Move Against OWTU

Port-of-Spain TRINIDAD GUARDIAN in English 26 May 83 p 1

[Text]

THE BERMUDEZ Biscuit Company has filed an application in the Industrial Court seeking to have the Oilfields Workers Trade Union decertified as bargaining agent for its daily paid workers.

According to an application filed with the registrar of the Industrial Court on May 19 by Andre Jessamy, Counsel for Bermudez, the company wants the court to find the OWTU guilty of committing an offence under the Industrial Relations Act by taking industrial action in April to force the company to withdraw letters it had

sent to workers notifying them of intended temporary layoff of permanent workers.

Bermudez is asking the Court to fine the OWTU for the offence and to cancel the union's certificate of recognition as the bargaining agent for the daily-rated workers of the biscuit company and an associated company — Bermudez Containers Limited.

The notice of the application reached the OWTU yesterday and both parties are to appear at the Court tomorrow morning to hear directions in the matter.

Union Decertification

Port-of-Spain TRINIDAD GUARDIAN in English 26 May 83 p 15

[Excerpt]

THE BROTHERHOOD of Construction and Industrial Workers' Trade Union was decertified as bargaining agent for the bargaining unit at Motilal Moanan Limited, and ordered to pay a fine of \$2,500 on or before June 10, by the Industrial Court.

Delivering judgment in a dispute between the union and the company, The Industrial Court comprising president J.A.M. Braithwaite and

members Gregoire Awang and H. Johnson, found that the union was guilty of directing its members on January 19, 1981, to withhold their labour, or alternatively refrained from directing its members to resume work, with a view to compelling the company to accept unconditionally the union's proposals for a collective agreement which the union had made to the company.

Caroni Payments

Port-of-Spain TRINIDAD GUARDIAN in English 26 May 83 p 7

[Text]

SAN FERNANDO:
STATE-OWNED Caroni Limited will start paying 478 retrenched workers more than \$9 million on Monday and Tuesday.

The workers being retrenched are employed at the Woodford Lodge and Reform factories. Both factories are to be closed down. Woodford Lodge did not operate this year. Reform operated for a short period when the St. Madeleine plant was experiencing problems.

The company had already supplied the All-Trinidad and Sugar General Trade Union with the list of the names of workers who will be affected.

Mr. Sam Maharaj, the union's general secretary, confirmed receiving the list.

He said that he was in the process of writing Caroni calling for an early meeting to discuss the welfare of the retrenched workers. Mr. Maharaj recalled that last January 19, the union wrote the Minister of Housing Senator Wendell Mottley, informing him of the retrenchment exercise by the company and how the workers are being

affected.

RULES BE AMENDED

He said that the union asked Mr. Mottley to insist that the rules of the Sugar Labour Welfare Committee Fund be amended to allow the retrenched sugar workers to obtain loans to assist them in building houses.

The union official said many sugar workers were still without a house.

Mr. Maharaj also recalled that last January 19 a similar letter was sent to Caroni's chief executive office requesting the company to make available parcels of land for the retrenchment sugar workers to grow crops.

But so far, the union has not received replies to the letters. The union officer described the closure of the two factories and the resulting retrenchment as a "disastrous day" in the life of the sugar industry.

Hundreds of sugar workers will now join the growing band of unemployed, the union said.

Oil Sector Layoffs

Port-of-Spain TRINIDAD GUARDIAN in English 2 Jun 83 p 7

[Article by Mikey Mahabir]

[Text]

SAN FERNANDO:
A SERIOUS DOWNTURN in the economy in Trinidad and Tobago, particularly in the oil sector is causing more retrenchment.

Already three firms have retrench scores of workers and each put the blame squarely on the drastic drop in business.

Last Friday, Halliburton Trinidad Limited served retrenchment notices on 40 of their workers following which others joined the picketline. The workers have since pitched tents near the firm's premises at Green Acres, Cross Crossing, San Fernando.

Brisco Engineering Services Limited with offices at Marabella, served similar notices on 18 weekly-paid workers last May 27. Four monthly-paid were sent home on Tuesday.

A Brisco official described the situation as "critical." He said that the Oilfields Workers Trade Union had been warned of the company's intended action because of the "general downturn in business."

Brisco is an engineering firm which does business in the construction industry and in the

oil industry.

Yesterday morning employees who did not receive the "pink slip" joined forces with those retrenched and demonstrated outside the company's premises. An official of the firm described the action as an "illegal strike."

He said that the union had been informed of the general rundown in business and if there was no improvement, the company had to take some action in the matter.

Another firm, Ben Construction of Claxton Bay also retrenched eight workers two weeks ago. The OWTU is representing the workers in all three firms.

An official of the OWTU said that the union was very concerned with the situation. The union was expected to inform the Ministry of Labour of the continued retrenchment

Problems at BWIA

Port-of-Spain TRINIDAD GUARDIAN in English 2 Jun 83 p 1

[Text]

STATE-OWNED BWIA has said that it stands to lose \$17 million in projected revenue in an effort to compete with the slash in air fare by Pan American airlines and at the same time announced the retrenchment of ten employees under its redundancy programme.

The statement came from Mr. Peter Pena, Corporate Manager, as he addressed staff members yesterday in an effort to dispel rumours that the industrial relations personnel were "walking up to persons and indicating to them that they were redundant."

The "rumours" were part of information given to the "Guardian" by an executive member of the Communication, Transport and General Workers Trade Union, who said that eight of the workers were members of their union, and they had only been told on Monday afternoon of the company's decision, and the workers left on Tuesday morning.

The union official said that this latest move by the company to reduce its personnel staff by 190 by the end of this year, was a breach of contract since the union was supposed to be told before whose jobs were going to become redundant so that they would be given time for negotiations.

The official said their main objection was the way in which the company went about the retrenchment move and they intend to seek a meeting with the Minister of Labour on the matter.

The company said it expected to save \$11 million through its redundancy programme. Another 22 workers are expected to be declared

redundant by the end of this year.

The Company said that prior to Tuesday's ten, its voluntary programme had taken action to reduce its workforce by 108 employees.

Of 84 workers who applied for voluntary redundancy, 66 were accepted, and of 18 who applied for early retirement, nine were accepted, and of eight who applied for special leave for two years, all were accepted.

The Company has also been applying an attrition policy since 1981 and between January 1981 and December 1982 has reduced its head count by 126.

Mr. Pena told the employees that the present economic state of the airline industry as well as the state of BWIA forced the national carrier to introduce a range of cost saving measures. He said that these produced good effects so that by the end of the first quarter of 1983 they were better than the budgeted cost by \$10.4 million with personnel cost being \$2.8 m better.

He said that these savings were now "thrown out of the window" since Pan American Airlines slashed its fares by some 45 per cent on BWIA's major routes.

"BWIA will have to match these fares" he said, "and it is anticipated that these adverse effects will reduce BWIA's projected revenues by \$17 m."

He urged the workers to go back to their jobs and start by asking themselves seriously the question as to what sacrifices they could now make to assist in ensuring BWIA's future.

CSO: 3298/683

ARIMA STEEL MILL DETAILS THREATS TO ITS EXISTENCE

Port-of-Spain TRINIDAD GUARDIAN in English 18 May 83 p 20

[Text]

SURVIVAL of Caribbean Steel Mills Limited at Arima is threatened from all quarters — recession, low productivity and low level of sales. This was told to the Contractors and General Workers' Trade Union in a letter stating the Company's position regarding negotiations for a revised collective agreement.

Caribbean Steel Mills told the union it was unable to accept any increases in fringe benefits and only marginal increases in wages.

The union's President General, Mr. Owen C. Hinds, wants to find out from the company whether it intended to negotiate a revised contract at all or whether it intended to close down operations.

The union and company were due to meet at the firm's Sea Lots office, Port-of-Spain, to open talks for a revised agreement. The union expected to get a declaration from the company on its future operation, according to Mr. Hinds.

HARDEST

In the letter addressed to Mr. Hinds, the company said it was sure that Mr. Hinds was aware of the present economic conditions in the world as well as the fact that the company's products were among the hardest hit.

The company said: "the recession in the building industry, and particularly in Trinidad and Tobago, has strained our resources to the fullest.

"Even at our present level of operations, low productivity and low level of sales; the survival of this company is threatened from all quarters.

"We cannot pass on the increases you propose since our products are already higher in price on the local market than the Jamaican counterpart.

"It is interesting to note, however, that our prices for R.H.S. have not changed since 1978, and that in the case of reinforcing rods, these were reduced when ISCOTT came on the scene. The impact of Centrin on the local market is yet to be felt, but we are sure that it could not help but make matters much worse.

"It will therefore come as no surprise to you that on the basis of the above, we find ourselves unable to accept any increases in fringe benefits and only marginal increases in wages."

Mr. Hinds said if the company was really experiencing problems, particularly in the area of sales, then it should approach Government for assistance.

He said that his union would do everything possible to give whatever advice and assistance it could in order to keep the operations going and to maintain the present level of employment.

Mr. Hinds said a solution could be found to the problems once the company decided to hold meaningful dialogue with the union and Government.

CENTRAL BANK REPORTS 3.9 PERCENT RISE IN GDP FOR 1982

Port-of-Spain TRINIDAD GUARDIAN in English 25 May 83 p 4

[Text]

TRINIDAD and Tobago's Gross Domestic Product (GDP) grew by 3.9 per cent last year, according to the Central Bank's 1982 annual report.

This was noted in the May 1 issue of the Monthly Economic Bulletin published by the Merchant Bank.

According to the publication this rise was slower than the 6.3 per cent registered over the boom years of 1979-1980 but the Central Bank surmised that it was an encouraging sign of the ability of the economy "to adapt in a measured fashion to the recessionary conditions persisting in the wider world economy."

The bulletin noted that in the petroleum sector, crude oil production fell by seven per

cent and refinery throughput by 13 per cent.

As a result, the real value added in the petroleum sector declined by 2.4 per cent and in the non-oil sector, growth slowed from 8.4 per cent in 1979 to 4.7 per cent in 1982.

According to the Bulletin, the slowdown in economic performance for 1982 negatively affected revenues but did not affect government's expenditure as surpluses accumulated over the boom years were drawn down in

order to meet desired expenditure levels.

Over the year, the country recorded a deficit of \$3,300 million in its fiscal operations as government revenues declined by 0.4 per cent coupled with substantially higher levels of expenditure, said the bank publication.

The previous year, 1981, had showed a fiscal surplus of \$176 million.

The bulletin said the Central Bank report noted that the downturn in the domestic economy in addition to the recession in the international economy and its effect on the

petroleum industry resulted in a "marked deterioration in the balance of payments performance in 1982."

Preliminary data show an overall balance of payments deficit of \$525.1 million in 1982 compared to surpluses of \$1,350.5 million and \$1,498.9 million recorded in 1981 and 1980 respectively.

According to the report, a deterioration in the merchandise trade account as reflected in the country's current account was mainly responsible for last year's balance of payments deficit position — the first in eight years.

CSO: 3298/686

CARONI ENDS SUGAR PROCESSING; LOSSES ANTICIPATED

Port-of-Spain TRINIDAD GUARDIAN in English 19 May 83 p 4

[Text]

SAN FERNANDO:

THE 1983 sugar crop of State-owned Caroni (1975) Limited comes to a close at the weekend with boiling off operations on Sunday, said a Caroni official yesterday.

The company is expected to get out most of its canes. However, farmers may stand to lose about 60,000 tons through malicious or unplanned fires and about 30,000 tons through lack of labour, according to an official of Trinidad Islandwide Canefarmers Association (TICFA).

But overall, farmers had a good crop. Excellent weather conditions, among other things assisted them in getting out most of the 450,000 tonnes target.

Caroni has so far produced 77,852 tonnes

of raw sugar from 993,458 tonnes of canes. The company has also made 9,350 tonnes of granulated sugar from a projected figure of 16,000 tonnes.

REVISED TARGET

The company revised its sugar production target of 102,000 tonnes to 81,000 tonnes.

An officials of the company said yesterday that there is sufficient sugar for local consumption. Unfortunately, the company would not be able to meet its foreign quota of a little more than 70,000 tonnes.

Only factory in operation at the moment is the Brechin Castle factory. Ste Madeleine stopped grinding about one week ago.

CSO: 3298/686

PAPER CRITICAL OF UNION DEMANDS ON WEAK ECONOMY

Port-of-Spain TRINIDAD GUARDIAN in English 19 May 83 p 8

[Editorial: "Sad Merry-Go-Round"]

[Text]

WILL Port Authority Executive Chairman Eustace Bernard and Minister of Public Utilities John Eckstein please inform the citizens of this nation just what are their intentions with regard to the Port?

Both men publicly promised that from May 15 unproductive standby labour outside the industrial agreement would be eliminated from operations on the waterfront.

However, the show is still going on.

Alongside the docks right now, a grain ship is being unloaded without any need for portworkers but there they are merrily drawing pay for doing what the Lord alone knows.

Mr. Bernard informed businessmen some weeks ago that last year the Authority spent about \$9 million for totally unproductive labour and that the circus would come to an end on 15th May. He cited many instances of rank feather-bedding at the Port.

CONSCIENCE

On Sunday 15, Minister Eckstein expressed his support for the Authority's ac-

tion. The standby arrangements on the Port, he said, "cannot possibly be condoned." They would seriously undermine productivity wherever they are practised.

"And in the light of the Prime Minister's call for increased productivity, I cannot in all good conscience support this in an area for which I have responsibility," the Minister declared.

But inspite of all the good intentions, it seems that waste, inefficiency and poor productivity are destined to remain the hallmarks of cargo operations on the nation's port with all their adverse economic repercussions for business and the consuming public.

Are we really serious about adjustments that must be made to offset the debilitating impact of the recession? Can the Government continue to indulge in the rhetoric of productivity and at the same time tolerate such absurd goings-on at the Port where millions of dollars are being paid each year to workers for doing absolutely nothing?

In the circumstances, we

cannot think of any wrong that more urgently needs to be put right than these ad-hoc standby arrangements which appear to us even more offensive than the scandal of DEWD. If we cannot begin here to tackle the critical question of productivity, then we might as well surrender and allow the unions to run the country.

But let us make the point here that we are not against the labour movement or any particular trade union. These organisations have served their members well and have given workers a legitimate measure of bargaining power. Nevertheless, we repeat that our country cannot, particularly in the present stagnant economic environ-

ment, continue on the old high-wage low-productivity merry-go-round without soon coming to a grinding collapse.

The basic challenge now confronting our nation is the creation of new wealth to fill the gap being left by declining petroleum revenues. And the only way we can do this is by the wrenching changes from a consumer-oriented society to productivity-oriented society, cutting out the waste, inefficiency and corruption to which we have become so tolerant.

In this effort, the unions must realise that they simply cannot have their way if their demands would mean the maintenance of an uneconomic and uncompetitive system of production.

TALKS ON TERMS FOR DISPOSAL OF TEXACO CONTINUE

Texaco Proposals

Port-of-Spain TRINIDAD GUARDIAN in English 19 May 83 p 1

[Article by Jeff Hackett and Mikey Mahabir]

[Text]

TEXACO Trinidad Inc. wants Government to hold 75 per cent interest in a joint ownership of the billion dollar Pointe-a-Pierre refinery.

The oil company made this proposal to the inter-ministerial team, headed by Labour Minister Errol Mahabir, when talks on the future of the refinery resumed yesterday pointing out that it was interested in retaining only 25 per cent interest.

The company, in a press statement, issued after the 90-minute meeting at Farrel House Hotel, Claxton Bay, which ended around 6 p.m. indicated that it had made a similar proposal in earlier discussions.

Prior to this disclosure, both sides had maintained an airtight confidentiality about the discussions, not divulging any details to the Press.

According to the Texaco statement, Mr Peter Bijur, leader of Texaco's team, said "that he again stressed to the inter-ministerial team the hope that the unrealistically high tax rate on crude oil production would be quickly reduced so as to arrest the excessive decline in crude oil production, particularly on land."

Texaco claimed that "the existing tax structure has resulted in an effective tax rate of 140 per cent on crude oil production on land for the first four months of 1983."

NEGATIVE IMPACT

The company saw such a high tax rate "creating a serious significant negative impact on current operations and a disincentive to further investment."

Mr Bijur made it clear that "the company's decision to remain in Trinidad is based not only on its historical participation in the oil business in this country, but also on its belief that its Caribbean markets can best be served from the refinery at Pointe-a-Pierre which is capable of producing a wide range of products to meet the varied demands of the area."

He expressed the hope that "active negotiations would commence as quickly as possible so that the uncertainties which have surrounded Texaco's future in Trinidad during the past year could be resolved, thereby promoting a stable economic and social atmosphere throughout the area surrounding Pointe-a-Pierre."

Mr Mahabir said after the meeting that Texaco's team indicated that "they would submit a proposal today to take the discussions one step further pending any rationalisation of the refinery structure."

Mr Mahabir stated further that he informed the team that the inter-ministerial team had submitted an interim report on the discussions so far.

Mr Mahabir did not reveal any details of the report which went to

Cabinet.

The minister further disclosed that Amoco Trinidad Oil Company, which in February was invited by Government to take part in the purchase or lease of the refinery, was expected to respond to Government by the end of June.

Mr Mahabir said that only a few days ago Amoco had requested certain additional information. He added that this information had been promptly supplied.

The minister did not give any details about this information.

However, officials from Amoco Production International, of Houston, Texas, a sister company, visited both the Pointe-a-Pierre and Trintoc refineries earlier this year.

It is understood that Amoco was still in the process of what a company spokesman in April described as the process of "evaluating refining and marketing operations not only in Trinidad and Tobago but in the Caribbean."

It could not be ascertained yesterday when the new rounds of discussions would continue and what was Government's thinking on Texaco's offer.

Since January 1, following drastic reduction late last year of refinery throughput to around 50,000 barrels daily at one stage, Government initiated an initial three-month arrangement whereby Trintoc supplied Texaco with 37,000 barrels of crude daily to facilitate the processing of 65,000 barrels daily at the 355,000 barrels refinery.

This temporary arrangement which ended on March 31 has been extended indefinitely.

Initial Government Reaction

Port-of-Spain TRINIDAD GUARDIAN in English 20 May 83 p 1

[Article by Jeff Hackett]

[Text]

THE GOVERNMENT, for the time being, is virtually disregarding Texaco Trinidad Incorporated's offer to sell it a 75 per cent interest in the billion dollar Pointe-a-Pierre refinery.

Labour Minister Errol Mahabir, head of the four-man inter-ministerial team holding discussions with the oil company, told newsmen yesterday that the talks "have not reached the stage for negotiations."

Mr Mahabir, speaking from his Riverside Plaza offices, stated that Texaco had, in fact, made the offer earlier in the talks and repeated it on Tuesday.

He indicated that not much consideration was given to the offer and pointed out that no figures and other data accompanied the offer.

The minister, responding to a ques-

tion, said that Government had made a ten-point proposal which involved taking over all of Texaco's operations, a joint venture in the production and refinery side and a number of permutations involving the operations.

Mr Mahabir stressed, however, that "all I wish to say on the matter is that the terms of reference of the committee is to consider the future role of Texaco and not only the refinery."

He said that the committee had reported to the Prime Minister and Cabinet had appointed a ministerial committee to consider the report.

Texaco is claiming that the existing tax structures "has resulted in an effective tax rate of 140 per cent" on its crude oil production on land for the first four months of 1983.

Oil Workers' Position

Port-of-Spain TRINIDAD GUARDIAN in English 20 May 83 p 7

[Text]

SAN FERNANDO:

OILWORKERS, employed with Texaco Trinidad Inc. have expressed the view that Government should buy out the Pointe-a-Pierre refinery, owned and operated by Texaco Trinidad Inc. instead of considering a proposal to hold 75 per cent interest in a joint ownership venture.

On the other hand, the Council of Progressive Trade Union, is expected to meet shortly to discuss the proposal; Mr. Boodram Jattan, President, said.

Mr. Jattan, when asked to comment on the proposal made by Texaco to the Government Inter-Ministerial Team on Wednesday said that they were concerned over the announcement that Texaco wants 25 per cent interest.

The Oilfields Workers' Trade Union, (OWTU) a member of the CPTU was expected to discuss the issue yesterday.

The OWTU had been calling on government to nationalise Texaco and establish one National Oil Company in the country. The union sometime ago submitted a memorandum on the matter outlining its stand.

Two of Texaco's New York top executives

Mr. Peter I. Bijur and Mr. D. Lyth — together with officials from the Trinidad operations including general manager Lloyd Austin, met with members of the Inter-Ministerial Team headed by Mr. Errol Mahabir, Minister of Labour, Social Security and Co-Operatives at Farrel House, Claxton Bay.

The parties resumed discussions on the company's future operations in Trinidad and Tobago during which the Texaco team made a proposal to government in which it said that Texaco Trinidad Inc. wants government to hold 75 per cent interest in a joint ownership of the Pointe-a-Pierre refinery.

The Texaco officials also touched on the question of the taxation on crude and Mr. Bijur, according to a company statement, expressed the hope that "unrealistically high tax rate on crude oil production would be quickly reduced so as to arrest the excessive decline in crude oil production, particularly on land."

Texaco claimed that "the existing tax structure has resulted in an effective tax rate of 140 per cent" on its crude oil production on land for the first four months of 1983.

Union Suspicions

Port-of-Spain TRINIDAD GUARDIAN in English 1 Jun 83 p 3

[Text]

SAN FERNANDO:

OILWORKERS and the Oilfields' Workers Trade Union, "and in fact the country as a whole," want to know what is really going on between Texaco Trinidad Inc. and Government's Inter-Ministerial Team in discussions concerning the company's future operations in Trinidad and Tobago.

That view was expressed by OWTU through First Vice President Errol McLeod in a letter to Minister of Labour, Social Security and Co-operatives Mr Errol Mahabir also in the Minister's capacity as head of the Inter-Ministerial Team, on the matter.

Mr McLeod made reference to Texaco's reported offer to sell to Government 75 per cent of its Pointe-a-Pierre refinery. Mr McLeod also informed the Minister in his May 28, letter, of the proposed closing down of the St. Peter's School by the company.

He described Texaco's move as one designed to destabilise the country.

Mr McLeod informed Mr Mahabir that it was out of "love for country and a deep desire for peace that we again seek to have your attention engaged in new and on-going developments in the oil industry.

"Developments which, though the vindictive and provocative anti-Trinago actions of Texaco Trinidad Inc., can have the effect of catalysing a serious explosion whose proportions we are not now able to determine."

Mr McLeod's letter to Mr Mahabir said in part:

"Oilworkers, the Oilfields Workers' Trade Union and the country as a whole are very concerned about their exclusion from information as to what is going on between the Inter-Ministerial Team and Texaco Trinidad Inc.

"It has been reported in the daily Press that Texaco has offered to sell to the Government seventy-five per cent (75%) of the Pointe-a-

Pierre refinery while keeping control of the production fields of their operations.

"It has also been reported that Texaco insists that Government agrees quickly to their terms lest the country begins to suffer social instability.

The Oilfields Workers' Trade Union believes that no change of direction in the oil industry can occur without a significant input insuring that change coming from the union."

FULL OWNERSHIP

Mr McLeod made reference to the memorandum on the oil industry, reiterating the union's call for full ownership and control of the oil resources.

"That memorandum was submitted to the Inter-Ministerial Team on September 20, 1982, yet to date the Government has not seen it fit to hold any discussions with the OWTU on the matter," the letter stated.

Mr McLeod said that nobody knows the status of the Texaco-Trintoc agreement except that it has already cost the country hundreds of millions of dollars, has done absolutely nothing to ensure job security, is not sensible as part of re-organisation plans for the oil industry and, in fact, shifts from Texaco the financial responsibility for ensuring the continuity of its operations and puts that responsibility on the shoulders of the taxpayers."

On the question of the proposed closure of the St. Peter's School Mr McLeod described that action as arbitrary.

Mr McLeod told Mr Mahabir that Texaco must not be allowed to destabilise our country one day further." It is time to cut ties with the oppression. Any continuing effort to woo Texaco with allurements will come to grief on the rock of workers insurrection and social revolution."

Texaco's Asking Price

Port-of-Spain TRINIDAD GUARDIAN in English 2 Jun 83 p 1

[Article by John Babb]

[Text]

TEXACO is asking (TT) for \$480 million (US-\$200 million) for 75 per cent equity of its Pointe-a-Pierre refinery which it wants to sell the Government, while deciding to retain 25 per cent equity.

The asking price for 75 per cent of the refinery is in addition to four parcels of land surface at Brighton, Piparo, Delhi Road, and La Costina Estate — all in the south — which the company wants to sell for (TT) \$319,331,500.

These offers were revealed yesterday at a news conference held at Riverside Plaza by the four-man Inter-Ministerial Committee that is holding discussions with the company on its future role in Trinidad and Tobago's economy.

Labour Minister Errol Mahabir, chairman of the committee, said the negotiations with Texaco were not as simple as they seemed.

He said his committee which has been examining the situation overall will, by next week, submit proposals to Prime Minister George Chambers "on what the next step should be" in the Texaco talks.

The Minister said it was difficult for him to understand Texaco's asking price for the 75 per cent equity when the estimated book value of the refinery was (US) \$130 million.

"It is certainly not as easy to say that we should buy 75 per cent", chimed in State Enterprises Minister, Mr. Ronnie Williams. "We have to ask what are the consequences of buying a refinery which Texaco itself has said has been losing \$10 million in the last ten years", he added.

Mr. Williams, riled by recent editorials in the "Guardian" from which he quoted, accused the paper of plugging Texaco's case.

Mr. Mahabir recalled that he had pointed out from the start that the "nature of the discussions made them delicate, long and arduous".

A number of meetings were held with Texaco from time to time, he added, and there had been certain changes.

PERMUTATIONS

He said that at one stage the ministerial committee identified a number of permutations that could govern its options in dealing with the issue.

They included: Texaco remaining undisturbed in the present situation; Texaco would sell the refinery to the Government or any other designated corporate body, and keep their producing sector intact; or, sell the refinery and enter into a joint venture in the producing operations.

That Texaco would lease the refinery to Government or any other designated corporate body, and leave their producing sector intact; or, lease the refinery and enter into a joint venture in the producing operations; or, operate the refinery on a commercial fee basis and keep their land producing operations intact.

Or, that Texaco should agree to sell both the refinery and producing operations, and the Government deciding to buy the entire operations of the company.

"All this we have had to examine", said Mr. Mahabir.

Since agreeing to retain 25 per cent of the refinery and to sell the Government the 75 per cent remainder equity, Mr. Mahabir said the company had promptly sent the Government a draft Heads of Agreement which could lead to such a situation. "But it is not as simple as that", he said.

Mr. Mahabir said the committee has had to examine several other aspects. One example was — that 75 per cent Government ownership of the refinery took no account whatsoever of government ownership of the company's producing operations on land.

He said the ministerial committee had submitted an interim report to the Prime Minister to whom they reported regularly. He said the committee was awaiting an input by Amoco which was expected by the end of June, or hopefully, not later than mid-July.

In the meantime, he added, the committee was continuing to further examine the future role of Texaco.

At their last meeting on May 18, the company said it would submit a proposal which it hoped would take the discussions one step further.

The following day the committee received a letter from Texaco, which indicated that the company had engaged the services of an English firm of chartered surveyors from London to evaluate certain properties, excluding the refinery and shipping areas. It involved real estate at Brighton, Piparo, Delhi

Road, and La Costina Estate. The firm of surveyors had advised that the market price of the land area surveyed was (TT)\$319,331,500.

OWN APPRAISAL

Texaco, he said, told the committee that if they wished they could make their own appraisal for an independent assessment of the area. The company said it believed 60 days was adequate to complete the task.

But Mr. Mahabir said that up to now the committee has not been supplied with the necessary maps, specifically pointing out the areas involved.

He said: "We as representatives of the people have to take into account, and to ensure that the national interest is preserved at all times. This has been one of the main pillars of this committee's attitude in these discussions", the Minister emphasised.

Mr. Mahabir said his committee has received a memorandum from the Oilfields Workers' Trade Union (OWTU) on the Texaco issue, and that was being studied. The OWTU, it is understood, is contending that Texaco should not be paid one cent.

OK FOR BIGGER FISHING BOATS SOUGHT FROM VENEZUELA

Port-of-Spain TRINIDAD GUARDIAN in English 19 May 83 p 1

[Article by Ed Wynn Brant]

[Text]

TRINIDAD and Tobago is seeking to have bigger fishing boats operate on the Orinoco banks in Venezuela's territorial waters.

At the end of the first round of talks yesterday to negotiate a new fishing treaty, Trinidad and Tobago Fishing Commissioners proposed an increase in the number of artisanal boats already operating in three special zones off the Orinoco delta. They also asked for trawlers similar to those owned by the National Fisheries Company to fish and shrimp in the rich grounds. The three-day meeting started on Monday will continue in Caracas.

The meeting was chaired by Mr Lennox Ballah, permanent secretary in the Ministry of External Affairs, and follows the extension of the current fishing treaty signed on May 10 in Port-of-Spain between Dr Jose Zambrano, Venezuelan Foreign Minister and Dr Basil Ince, Minister of External Affairs.

Under that treaty, the Venezuelan Foreign Ministry renewed 60 permits given to Cedros fishermen to operate in Coquin, Bombeadores and Pedernales - the special zones.

Trinidad and Tobago also renewed 20 permits given to Venezuelan artisanal fishermen.

Foreign Minister Zambrano, who

paid a two-day official tour of Trinidad earlier this month, had said that the new treaty now negotiated should be signed within a year.

The joint fishing commissioners - Venezuela/Trinidad and Tobago - over the past three days examined the problems reported by fishermen on both sides.

The commissioners are to assess data on resources of the special zones, yields and conservation for the benefit of fishermen from both countries.

The Venezuelans are concerned about overfishing and destruction of the shrimp spawning grounds at the mouths of Orinoco tributaries. They are sticking to the same size mesh allowed Cedros fishermen.

A spokesman for the joint commissioners said technical experts are to meet within the month to assess the resources in areas specified for fishing and shrimping between the two countries.

The second round of negotiations will take place in Caracas after the technical meeting.

Mr Ballah, chairman of the meeting, commented last night that the talks were fruitful, cordial and extensive and he believed the new treaty would be signed and ratified before next May.

Under the proposals made by

Trinidad, larger boats owned by the State and private enterprise can operate on the banks. At the moment the treaty calls for boats under ten metres long with a capacity of 1,000 kg to shrimp in Venezuelan waters south of Pedernales river.

Venezuelan fishermen have been operating off the North Coast using live bait.

Sitting at the meeting were Mr Ballah, chairman; Commodore Mervyn Williams, Mr Mervyn La Croix, chief fisheries officer, Major Cecil Bernard, from the Attorney General's Office, Mr Festus Charles, cartographer, Department of Lands and Surveys, Miss Sandra Honore and Miss Laura West, Foreign Service Officers, and Mrs Annette Auguste, this country's ambassador to Caracas.

The Venezuelan Commissioners were Maria Christina Gomez de Sucre, leader and ambassador of internal policy; Dr Jean Francois Pulvenis, Assistant Director, Frontiers; Sr Antonio Rios, national coordinator of Fish Resources in the Ministry of Livestock and Agriculture; and Mr Amry Tournon, Venezuelan Ambassador in Port of Spain.

The Venezuelan Commissioners left last night for Caracas.

GUYANA CATHOLIC STANDARD EDITOR STOPS TO SAY 'THANKS'

Port-of-Spain TRINIDAD GUARDIAN in English 19 May 83 p 1

[Text]

FR. ANDREW MORRISON, Editor of the "Catholic Standard" of Guyana, yesterday expressed his gratitude for the "generous response of the people of Trinidad and Tobago" to the fund established to assist him to contest a number of libel suits filed against his newspaper by members of the Burnham Government.

The weekly "Catholic Standard" is the only remaining independent newspaper in Guyana. The Save the Standard Fund, set up by the "Trinidad Guardian" and operated through branches of the Royal Bank, has reached a total of \$35,000.

Fr. Morrison spent yesterday in Trinidad enroute to Puerto Rico

where he will attend a seminar on press freedom sponsored by the Puerto Rico Press Club. The seminar will also discuss proposals for the New International Information Order and the possibility of setting up a Caribbean Journalists Association.

In a recent editorial, the Standard noted that the oppressed state of the news media in Guyana was well known to Caribbean information ministers and other officials when they met in Georgetown. The meeting was held to discuss, among other things, the New International Information Order.

"While they explored ways in

which a free and more balanced flow of information could be achieved between the developed countries and the Third World, they were only too aware that in Guyana the flow of information was only a trickle and that it was very unbalanced as to what was put out by the PNC (The ruling People's National Congress) and by other sections of the community," the Standard observed.

"Having acquired and maintained control of the major media in the country, the government ceased to allow the right of reply and the right of dissent, and the remaining media was miniaturised and harrassed."

CSO: 3298/687

GUYANESE SEIZED WITH GUN, AMMUNITION, IS FINED

Report on Arrest

Port-of-Spain TRINIDAD GUARDIAN in English 23 May 83 p 1

[Text]

POLICE COMMISSIONER
Randolph Burroughs, acting on a tip-off headed a large party which raided the home of an airport taxi-driver on Third Avenue, Mount D'Or Road, Champs Fleurs, yesterday and held a former member of the Guyanese Defence Force. The party also seized a .25 pistol and a plastic bag containing 25 rounds of ammunition.

Information reaching Mr. Burroughs is that the ex-soldier, who had arrived at Piaseo International Airport the previous night, had been granted permission to stay in Trinidad for nine days, until he was ready to fly to New York.

Customs authorities have been called in to assist, as it is believed that the arms and ammunition were smuggled into the country. In the meantime, the Police Commissioner is in communication with his counterparts in Guyana about information on this Guyanese, who has been making frequent visits to the United States from Guyana via Trinidad.

PURCHASE ORDERS

Assisting in the raiding party were Inspectors Eversley Henry and Rudolph Leache, Sgt. Rodney Sankar, Cpl. Alfred Sealey and Const. Norman Ignacio.

The police also seized books in which were listed numbers of several calibres of weapons, and orders for the purchase of arms and ammunition.

In a related story, a warrant was executed at a home on Tragarate Road, Woodbrook, Port of Spain, where three Grenadians employed by a restaurant proprietor were held.

The detainees, who are believed to have entered the country and overstayed their time, have been handed over to Immigration authorities.

Det. Sgt. Trevor St. Louis headed the party, which included Constables Joseph Honore, Timothy Millett and Sherwin Hoyte.

Link to Guyana Plot

Port-of-Spain TRINIDAD GUARDIAN in English 1 Jun 83 p 3

[Text]

A FORMER member of the Guyana Defence Force was yesterday fined \$2,000 with an alternative of nine months imprisonment for being in possession of a .25 pistol and 25 rounds of ammunition.

Harold Edgar Hopkinson, 29, was fined by Senior Magistrate Ian Seukeran in the Tunapuna Magistrates Court yesterday afternoon after the magistrate considered the explanation given to the court by the defendant who had pleaded guilty last Thursday.

Hopkinson, who served the Guyana Defence Force for ten years, was jailed for six months on Monday by Magistrate Carol Mahadeo at the Arima District Court after Customs officials charged him for failing to declare a firearm and ammunition at Piarco Airport on May 20.

The court was told that Hopkinson arrived in Trinidad on May 20 and passed through the Customs Greenline without declaring any weapons. He was in transit from Guyana to the United States.

He was taken to a house at Champs Fleurs, but the following day, a party of policemen, headed by Commissioner Randolph Burroughs, raided the house and seized the gun and ammunition.

The Police also found out that Hopkinson had in his possession documents pertaining to the use of firearms. He also had a diary which stated that on a certain day he had planned to shoot Vibert Maingot, a former Minister in the Burnham

Government.

Hopkinson, an electronics engineer, told the court that he did not really intend to shoot anybody but had used the name as he had planned to fool his wife since he was seeing a "deputy."

Hopkinson, it was stated, has no authority to bring firearms into the country, but he told the court that he was the holder of a firearm user's licence in Guyana and he produced a certificate to prove it.

He said he did not bring the gun into Trinidad, but it was his wife who had packed it in his briefcase. He said that it was only when he reached Champs Fleurs he realised that the firearm was in his case.

Hopkinson said he knew about the strict laws about firearms coming into Trinidad and he tried to get rid of the gun, but the Police found him before he could do that.

Magistrate Seukeran said that he was treating Hopkinson as a first offender and was not concerned with the ruling of another magistrate the previous day.

Mr. Seukeran said he was not concerned with the political turmoil in Guyana and he was forced to accept the explanation given by the defendant.

Hopkinson was allowed 14 days time to pay the fine.

CSO: 3298/687

CARONI RICE PROJECT, WITH 40,000 LBS, TERMED SUCCESSFUL

Port-of-Spain TRINIDAD GUARDIAN in English 20 May 83 p 4

[Text]

CARONI LIMITED recently reaped 40,000 pounds of rice in a pilot project on a 50-acre plot of land.

"The project was fully automatic and highly successful", a Caroni official said.

The company reaped the harvest one month ago with specially imported harvesters.

Explaining the plan for rice production, Tony Deyal, public relations manager, said that the company was seeking to produce rice on a large scale.

The company is working on a feasibility study to grow rice on an additional 100 acres in the Caroni area.

The recent crop, Mr. Deyal said, was a trial and had to be grown "upland".

He explained that "upland", the crop depended on rain water from rainfall while Caroni is contemplating growing swamp rice which will be grown on water supplied and controlled by water pumps.

The rice project is one aspect of diversification Caroni Limited is considering.

Already, there has been concentration on upgrading and increasing

production at La Gloria and Moora Valley farms where Dr. Steve Bennet is engaged in breeding buffalypso, a cross breed of buffaloes bred for beef purposes.

Dr. Bennet has reported that the meat of the buffalypso is more succulent than beef and is unrecognisable in the market.

"But", he added, "people tend to look down on buffalypso beef although the taste is better and the meat is nourishing".

The company is hoping to increase exportation of the buffalypso for agricultural and beef purposes in the near future.

The company has interviewed a number of field labourers with a view to training them in skilled labour. In this way, the transition to food production will run smoothly, it was.

In addition Caroni plans to assist and advise local farmers on family farms. The company said that there are 7,000 local cane farmers and they will be encouraged to cultivate sugar cane for local consumption.

BRIEFS

MILK, FLOUR PRICES--Prices of powdered milk, flour, rice and edible oil have increased. According to information released by the Minister of Industry, Commerce and Consumer Affairs, Desmond Cartey, section 3(2)(d) of the trade ordinance 1958 has been amended effective last April 29. This means that as of the date quoted, the first schedule part one of the 1972 price of goods regulations has been changed to show that the wholesale price of 12 one kg tins of Frico full cream powdered milk is now \$94.95 from the former price of \$86.69. Similarly, the one kg unit of milk will retail at a maximum of \$8.47, up from \$7.95. In special districts, the maximum retail price for this commodity is \$8.48, a change from the old price of \$7.96. Other commodities that have risen in costs are: flour, with a 45 kg bag wholesaling at \$32.46 from \$31.17 and a one kg pack retailing at 86 cents from 83 cents; imported rice to wholesale at \$72.93 for 50 kg, an increase from \$71 and a one kg pack at \$1.61 from \$1.56; local rice to wholesale at \$79.49 per 54.5 kg from the original price of \$77.39 and cooking oil to wholesale at \$57.20 per 18.184 (four gallons) container from \$56.92. In Tobago there is a further increase of \$1 in each of the last category. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 19 May 83 p 4]

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SOSA MEETS WITH PRESIDENT TO DISCUSS FINANCIAL ISSUES

Caracas EL DIARIO DE CARACAS in Spanish 13 Jun 83 p 23

[Text] Last night, beginning at 1830 hours, there was "movement" at La Casona. Arturo Sosa, minister of finance, was meeting with the president of the republic. Also present at the meeting, however, were some diplomats and former diplomats: Marcial Perez Chiriboga, Venezuelan ambassador to the U.S. Government; Victor Gimenez Landinez, Venezuelan ambassador to the OAS; and Julio Sosa Rodriguez, former Venezuelan representative before the U.S. Government.

There were two items on the agenda: first, the report that the head of finance was to present to the chief of state regarding efforts to renegotiate the country's foreign debt. In this regard, a "positive" atmosphere was foreseen, as Arturo Sosa had already predicted upon returning. . . Item 2 was a discussion of the financial meeting of Latin American nations which is to take place in Caracas this coming September. In essence, everything related to the foreign debt of the nations of the region will be discussed at that meeting, departing from one premise: the possibility of reaching agreement on a proposed "universal plan" for refinancing.

Upon leaving the meeting at 2045 hours, Arturo Sosa reported on the president's comments. He recalled his contacts with the managing director of the International Monetary Fund (IMF) concerning the Venezuelan Government's decisions on the use of compensatory facilities. He also spoke of the visit by the IMF mission, which will arrive here on 10 July, after reviewing the Venezuelan proposal. He also commented on his meeting with the advisory committee of the lending banks, which agreed to study the refinancing proposal. Further discussions will continue on the basis of that proposal.

Victor Gimenez Landinez confirmed that he had talked with President Herrera about the OAS initiative to hold a "time of reflection" concerning the problems of Latin America's foreign debt. That event will take place in Caracas between 5 and 9 September.

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NEED TO LOWER INTEREST RATES UNDERLINED

Caracas EL UNIVERSAL in Spanish 13 Jun 83 p 2-3

[Text] There is no reason to maintain high interest rates in the country, and if by the middle of this month the banks have not made the decision to reduce them by three or four points, the Central Bank of Venezuela (BCV) will have to intervene and set the maximum levels of both active and passive interest rates, according to the former minister of state and chief of the Office of Coordination and Planning (CORDIPLAN), Ricardo Martinez.

In Martinez' opinion, lowering interest rates "should be given the utmost priority in order to provide support for the national productive apparatus, and all factors point to such a reduction, since there is practically no argument to justify keeping interest rates high."

The former head of planning expressed the "imperative" need to cut interest rates within the national banking system, both active and passive interest. He recalled that this issue has been discussed for about 3 months, but so far no decision has been made. This decision "appears to be necessary, clear and urgent."

"It is a necessary prerequisite," he said, although he admitted that it is not enough to reactivate the economy for Venezuelan money to be set at a reasonable price, or in accordance with the cost of money on the world market.

Going further into the matter, he asserted that the Venezuelan economy is being penalized right now by keeping interest rates high, a trend that "runs counter" to what is happening in the rest of the world.

Martinez indicated that for about 4 months the national banking system and monetary authorities have been "plucking petals off the daisy" about whether or not to lower interest rates, "and even though announcements to that effect have been made by the banks themselves, the interim president and the titular president of the BCV, nothing has happened."

"Some banks have even dropped their interest rates unilaterally, but since that has not been uniformly applied throughout the banking system, it has resulted in funds being transferred from some institutions to others, and the banks that had lowered their rates have had to raise them again to prevent the flight of the resources or savings they have," he stressed.

The economist added that mortgage banks have made public proposals, and representatives of Consecomercio and Conindustria have submitted formal proposals to the National Banking Council, concerning the need to adjust the cost of money to the new circumstances in the country.

"Nonetheless," he went on, "so far it has been impossible to reach a decision, either by the government itself or on a voluntary basis by the banking system." He pointed out that "it is absurd to maintain high interest rates in Venezuela at this time."

To back up his statement, Martinez cited several reasons for his opinions. He said that the first one is that during the first half of the year, accumulated inflation was barely above five points, and projections for the second half engendered expectations that it would be around 12 percent.

"This means that the specter or the threat of spiraling inflation has not appeared, and it would seem that circumstances dictate that it will not appear, at least not in the way that was predicted early this year," he emphasized.

He added that even if interest rates are lowered several points below current levels, the country will continue to have positive real interest rates, thereby providing sufficient encouragement for saving instead of consuming.

Another reason he cited was that in other countries, interest rates are five or six points below Venezuelan rates, and this has been so for approximately half a year.

"Consequently," he stressed, "everything seems to indicate that now that inflation has been reduced by 5 percent in the United States, interest rates will stay low in that country as well as the rest of the world."

As a third reason, he indicated that "as reflected in the BCV's economic indicators, and as is generally believed in the banks of the financial system, domestic liquidity has increased in at least the past 2 months."

In Martinez' view, if the supply of money has increased, then liquidity limitations are no longer an argument or reason to justify high interest rates; on the contrary, they point to a reduction.

In the fourth place, since 18 February of this year exchange controls have been in effect, preventing the flight of foreign reserves and giving monetary authorities more room to maneuver in order to guarantee adequate levels of domestic liquidity, he said.

To these reasons he added the fact that in the past few weeks, on several occasions, it has been announced that the BCV Board of Directors will make a decision on this issue, but so far the only decision has been to lower the rediscount rate by a point.

The former minister of planning asserted that this decision "is insufficient" to induce a real drop in interest rates, and stated his belief that if the banks have not decided to cut interest rates by three or four points by the

middle of this month, the central bank will have to intervene and set maximum levels for both active and passive interest rates.

He stressed that this is "of the utmost priority" in order to support the national productive apparatus. All factors indicate that a reduction of interest rates must take place, and there is practically no justification for keeping these rates high, he stated.

In conclusion, Martinez indicated that "there has been enough time for analysis; now it is time to make the decisions the country is expecting in this regard."

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RECADI TO FACILITATE IMPORTS OF ESSENTIAL GOODS

Caracas EL UNIVERSAL in Spanish 13 Jun 83 p 2-15

[Article by Fanny Perez]

[Text] The state enterprises as well as the private firms of Venezuela that are in a position to present an annual computerized program of their import needs will receive special treatment from the Office of the Differential Exchange Rate System, Recadi, in that their respective import certificates will be expedited as much as possible.

This decision will be implemented by the Office of the Differential Exchange Rate System in order to meet the needs for inputs and raw materials of many large-scale productive enterprises in the country.

Recadi is to begin this streamlining process for the subsidiary enterprises of the Venezuelan Investment Fund such as the Orinoco Iron and Steelworks (SIDOR), which will receive 1,200 authorizations to import raw materials.

Similarly, requests by other state enterprises such as Caroni Aluminum, Inc. (ALCASA), the Aluminum Company of Venezuela, Inc. (VENALUM), Interalumina, National Docks and Shipyards, Inc. (DIANCA), the Caroni River Electrification Project (EDELCA), and other subsidiaries of the Venezuelan Investment Fund, will be processed expeditiously.

Recadi Director Miguel Rodriguez Molina made this announcement from his office, where he was signing 1,000 new applications for import certificates that have already been approved by his office.

Next Tuesday, the national press will publish an extensive list of all the Venezuelan enterprises that were awarded the authorizations to import goods into the country at preferential exchange rates, either 4.30 or 6.00, depending on the case.

As we mentioned above, the streamlining of these authorization procedures for preferential dollars will also benefit private firms, in the case of industries that are technically capable of submitting an electronic computerized program to the official agency, stating the volume of imports required.

This procedure will greatly facilitate Recadi's work, since customs officials will be in charge of reviewing the lists with the aid of computers, and then will submit them for subsequent approval or denial.

If this system is carried out, then Recadi will be able to authorize import certificates "en masse," in the words of Recadi Director Miguel Rodriguez Molina.

This program would also include the large automobile assembly companies, which Recadi had asked to submit their annual program of imported raw material needs. This system would allow for the speedy processing of letters of authorization to obtain foreign currency on the controlled market.

No More Bureaucracy

The director of Recadi, who has held various offices in public administration (he was director of Inquilinato de Fomento, served as interim vice-minister of finance, and also director of revenues for that same public agency), says nevertheless that his aim is to ensure that "Recadi does not become a bureaucracy."

Puffing on tobacco that permeated the air with a penetrating odor, Rodriguez Molina stated that his aspiration was to "facilitate procedures even more."

"The idea is to keep Recadi from becoming a center for bureaucrats. Moreover, we should be able to manage with a small staff and a high degree of technology," he added.

But despite his ideas, we reminded him that, as in the saying "All roads lead to Rome," it seems that all official agencies are predestined to become bureaucratized sooner or later.

Dr Rodriguez believes that with the help of the banks, the exchange control process will become streamlined.

"Since we do not plan to open up Recadi branches in the interior of the country, the banks will help complement the process of distributing foreign reserves," he asserted.

In fact, in this public official's view, the banking agencies are already cooperating in the process, in the submission of import lists to Recadi and the payment of bonds, and, in general, by helping importers with all kinds of procedures they have to follow with that government agency.

In Rodriguez Molina's opinion, banks should structure their mechanisms for interaction with Recadi gradually, and for that they need to undergo a process of adaptation and preparation of their mid-level and management personnel. This training of the human teams that work in the banks should be extended to all the regions of the country, so that the attention given to importers will be commensurate with the latter's needs.

Does this participation by banking entities in the exchange control process mean that in the medium term, Recadi will delegate functions to them?

"The function of the banks in this process is to lend all possible assistance in the operative aspect," declared Rodriguez Molina. "But we will never delegate our functions to those banking institutions, because Recadi will always have to examine their requests, supervise the processing of those requests and verify whether the utilization of foreign reserves has been properly oriented in accordance with the country's requirements at this time.

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